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ONE FIRST NATIONAL PLAZA
CHICAGO, ILLINOIS 60603
312 853-7000 FAX 312-853-7312

2049 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067
213 553-8100 FAX 213-556-6544

875 THIRD AVENUE
NEW YORK, NEW YORK 10022
212 418-2100 FAX 212-418-2165

1722 EYE STREET, N.W.
WASHINGTON, D.C. 20006
TELEPHONE 202. 429-4000
TELEX 89-463
FACSIMILE 202: 429-6144

18 KING WILLIAM STREET
LONDON, EC4N 7SA, ENGLAND
441 621-1616 FAX 441-626-7937

5 SHENTON WAY
SINGAPORE 0106
65 224-5000 FAX 65-224-0530

ASSOCIATED OFFICE

HASHIDATE LAW OFFICE
IMPERIAL TOWER, 7TH FLOOR
1-1, UCHISAIWAICHO 1-CHOME
CHYODA-KU, TOKYO 100 JAPAN
03-556-3800 FAX 03-504-1009

RECORDATION NO 16698-1 FILED 1425
December 29, 1989

RECORDATION NO 16698-2 FILED 1425
DEC 29 1989 -2 30 PM

BY HAND DEC 29 1989 -2 30 PM

INTERSTATE COMMERCE COMMISSION
Noreta R. McGee
Secretary
Interstate Commerce Commission
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423

RECORDATION NO 16698-3 FILED 1425
DEC 29 1989 -2 30 PM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO 16698-4 FILED 1425
DEC 29 1989 -2 30 PM

Dear Ms. McGee:

Enclosed are the originals and one copy of certain documents, described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code. The documents to be recorded are: (1) an Equipment Lease Agreement, a primary document, dated as of December 15, 1989; (2) a Lease Supplement No. 1, a secondary document, dated as of December 29, 1989; (3) a Lease Assignment, a secondary document, dated as of December 15, 1989; (4) an Equipment Trust and Security Agreement, a primary document, dated as of December 15, 1989; and (5) an Equipment Trust and Security Agreement Supplement No. 1, a secondary document, dated as of December 29, 1989.

The names and addresses of the parties to the documents are as follows:

Equipment Lease Agreement and Lease Supplement No. 1

Owner-Trustee:

Wilmington Trust Company
Rodney Square North
Wilmington, DE 19890

Lessee:

Soo Line Railroad Company
Soo Line Railroad Building
105 South Fifth Street
Minneapolis, MN 55440

RECORDATION NO 16698-5 FILED 1425

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INTERSTATE COMMERCE COMMISSION

RECORDATION NO 16698-6 FILED 1425

DEC 29 1989 -2 30 PM

INTERSTATE COMMERCE COMMISSION

Counterparts - Jantz Muggick

Noreta R. McGee
December 29, 1989
Page 2

Lease Assignment

Assignor:

Wilmington Trust Company
Rodney Square North
Wilmington, DE 19890

Assignee:

The Connecticut Bank & Trust Company,
National Association
One Constitutional Plaza
Hartford, Conn. 06115

Equipment Trust and Security Agreement and Equipment Trust
and Security Agreement Supplemental No. 1

Owner-Trustee:

Wilmington Trust Company
Rodney Square North
Wilmington, DE 19890

Security Trustee:

The Connecticut Bank and Trust Company,
National Association
One Constitutional Plaza
Hartford, Conn. 06115

A description of the equipment covered by this document follows:

172 4,000 cubic feet open top hopper cars, bearing Soo road numbers: SOO 61963 through 62127 (both inclusive); SOO 62129; SOO 62130; SOO 62150; SOO 62152; SOO 62153; SOO 62186; SOO 62283.

128 4,000 cubic feet open top hopper cars, bearing Soo road numbers: SOO 62132 through 62149 (both inclusive); SOO 62151; SOO 62154; SOO 62155; SOO 62157 through 62165 (both inclusive); SOO 62174 through 62185 (both inclusive); SOO 62187 through 62189 (both inclusive); SOO 62201 through 62203 (both inclusive); SOO 62212 through 62257 (both inclusive); SOO 62264 through 62282 (both inclusive); SOO 62284 through 62298 (both inclusive).

Noreta R. McGee
December 29, 1989
Page 3

A fee of \$30.00 is enclosed to cover these recordations. Please stamp and return to the messenger any documents not needed by the Commission for recordation, along with a stamped copy of this letter.

A short summary of the documents, to appear in the Commission's index, follows:

Equipment Lease Agreement:

Equipment Lease Agreement between Wilmington Trust Company, Rodney Square North, Wilmington, DE 19890 and Soo Line Railroad Company, Soo Line Railroad Building, 105 South Fifth Street, Minneapolis, MN 55440 dated as of December 15, 1989 and covering 172 4,000 cubic foot open top hopper cars, bearing Soo road numbers: SOO 61963 through 62127 (both inclusive); SOO 62129; SOO 62130; SOO 62150; SOO 62152; SOO 62153; SOO 62186; SOO 62283; and 128 4,000 cubic feet open top hopper cars, bearing Soo road numbers: SOO 62132 through 62149 (both inclusive); SOO 62151; SOO 62154; SOO 62155; SOO 62157 through 62165 (both inclusive); SOO 62174 through 62185 (both inclusive); SOO 62187 through 62189 (both inclusive); SOO 62201 through 62203 (both inclusive); SOO 62212 through 62257 (both inclusive); SOO 62264 through 62282 (both inclusive); SOO 62284 through 62298 (both inclusive).

Lease Supplement No. 1:

Lease Supplement No. 1 between Wilmington Trust Company, Rodney Square North, Wilmington, DE 19890 and Soo Line Railroad Company, Soo Line Railroad Building, 105 South Fifth Street, Minneapolis, MN 55440 dated as of December 29, 1989 and covering 172 4,000 cubic feet open top hopper cars, bearing Soo road numbers: SOO 61963 through 62127 (both inclusive); SOO 62129; SOO 62130; SOO 62150; SOO 62152; SOO 62153; SOO 62186; SOO 62283; and 128 4,000 cubic feet open top hopper cars, bearing Soo road numbers: SOO 62132 through 62149 (both inclusive); SOO 62151; SOO 62154; SOO 62155; SOO 62157 through 62165 (both inclusive); SOO 62174 through 62185 (both inclusive); SOO 62187 through 62189 (both inclusive); SOO 62201 through 62203 (both inclusive); SOO 62212 through 62257 (both inclusive); SOO 62264 through 62282 (both inclusive); SOO 62284 through 62298 (both inclusive).

Lease Assignment:

Lease Assignment between Wilmington Trust Company, Rodney Square North, Wilmington, DE 19890 and The Connecticut Bank & Trust Company, National Association, One Constitutional Plaza, Hartford, Connecticut 06115, dated as of December 15, 1989 and

Noreta R. McGee
December 29, 1989
Page 4

covering 172 4,000 cubic feet open top hopper cars, bearing Soo road numbers: SOO 61963 through 62127 (both inclusive); SOO 62129; SOO 62130; SOO 62150; SOO 62152; SOO 62153; SOO 62186; SOO 62283; and 128 4,000 cubic feet open top hopper cars, bearing Soo road numbers: SOO 62132 through 62149 (both inclusive); SOO 62151; SOO 62154; SOO 62155; SOO 62157 through 62165 (both inclusive); SOO 62174 through 62185 (both inclusive); SOO 62187 through 62189 (both inclusive); SOO 62201 through 62203 (both inclusive); SOO 62212 through 62257 (both inclusive); SOO 62264 through 62282 (both inclusive); SOO 62284 through 62298 (both inclusive).

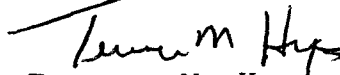
Equipment Trust and Security Agreement:

Equipment Trust and Security Agreement between Wilmington Trust Company, Rodney Square North, Wilmington, DE 19890 and The Connecticut Bank & Trust Company, National Association, One Constitutional Plaza, Hartford, Connecticut 06115, dated as of December 15, 1989 and covering Notes of the Owner-Trustee in an aggregate principal amount not to exceed \$9,765,000.

Equipment Trust and Security Agreement Supplement No. 1:

Equipment Trust and Security Agreement Supplement No. 1 between Wilmington Trust Company, Rodney Square North, Wilmington, DE 19890 and The Connecticut Bank & Trust Company, National Association, One Constitutional Plaza, Hartford, Connecticut 06115, dated as of December 29, 1989 and covering Notes of the Owner-Trustee in an aggregate principal amount not to exceed \$9,765,000.

Sincerely,


Terence M. Hynes

Interstate Commerce Commission

Washington, D.C. 20423

12/29/89


OFFICE OF THE SECRETARY

Terence M. Hynes
Sidley & Austin
1722 Eye Street, N. W.
Washington, D. C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/29/89 at 2:30PM, and assigned recordation number(s). 16698, 16698-A, 16698-B, 16698-C and 16698-D

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

RECORDATION NO 166980
DEC 29 1989 -2 30 PM
INTERSTATE COMMERCE COMMISSION

EQUIPMENT TRUST AND
SECURITY AGREEMENT

Dated as of December 15, 1989

Between

WILMINGTON TRUST COMPANY,
as Owner-Trustee under Soo Line Trust No. 89-1

and

THE CONNECTICUT BANK AND TRUST COMPANY,
NATIONAL ASSOCIATION, as Security Trustee

(Soo Line Trust No. 89-1)

300 100-ton 4000 cf Open Top Hopper Cars

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Attachments to Security Agreement

Schedule 1 - Amortization Schedule

Exhibit A - Form of Note

Exhibit B - Equipment Trust and Security Agreement Supplement
No. ____

EQUIPMENT TRUST AND SECURITY AGREEMENT

THIS EQUIPMENT TRUST AND SECURITY AGREEMENT dated as of December 15, 1989 (the "Security Agreement") is between WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity but solely in its capacity as trustee (the "Owner-Trustee") under Soo Line Trust No. 89-1, and THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association (the "Security Trustee"). The post office addresses of the Owner-Trustee and the Security Trustee are set forth in Section 11.3.

R E C I T A L S:

A. The capitalized terms used in this Security Agreement shall have the meanings specified in Annex I hereto unless otherwise herein defined or the context hereof shall otherwise require.

B. The Owner-Trustee and the Security Trustee have entered into a Participation Agreement providing for the commitment of the Note Purchasers to purchase on two Equipment Closing Dates, Notes of the Owner-Trustee in an aggregate principal amount not to exceed \$9,765,000. The Notes are to be dated the date of issue, to bear interest from such date to maturity at the rate of 9.66% per annum payable on June 28, 1990, and on the 28th day of each December and June thereafter to and including June 28, 2005, the principal portion thereof to be payable in accordance with the amortization schedule set forth in Schedule 1 hereto. The Notes are to be otherwise substantially in the form attached hereto as Exhibit A.

C. The Notes and all principal thereof and interest (and premium, if any) thereon and all additional amounts and other sums at any time due and owing from or required to be paid by the Owner-Trustee under the terms of the Notes, this Security Agreement or the Participation Agreement are hereinafter sometimes referred to as "indebtedness hereby secured".

D. All of the requirements of law relating to the transaction contemplated hereby have been fully complied with and all other acts and things necessary to make this Security Agreement a valid, binding and legal instrument for the security of the Notes have been done and performed.

SECTION 1. GRANT OF SECURITY.

The Owner-Trustee, in consideration of the premises and other good and valuable consideration, receipt whereof is hereby

acknowledged, and in order to secure the payment of the principal of and interest on the Notes according to their tenor and effect, and to secure the payment of all other indebtedness hereby secured and the performance and observance of all of the Owner-Trustee's covenants and conditions in the Notes and in this Security Agreement and in the Participation Agreement contained, does hereby convey, warrant, mortgage, assign, pledge and grant unto the Security Trustee, its successors in trust and assigns for the ratable use and benefit of the holders of the Notes, a security interest in all and singular of the Owner-Trustee's right, title and interest in and to the properties, rights, interests and privileges described in Sections 1.1, 1.2 and 1.3 hereof; excluding, however, the Excepted Rights in Collateral (all of which properties other than the Excepted Rights in the Collateral, being hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Collateral").

1.1. Equipment Collateral. Collateral includes (i) each Item of Equipment which is described in a Security Agreement Supplement executed and delivered from time to time between the Owner-Trustee and the Security Trustee, the form of which is attached hereto as Exhibit B and made a part hereof, which constitutes the Equipment leased and delivered under that certain Equipment Lease dated as of December 15, 1989 (the "Lease") between the Owner-Trustee, as lessor, and the Lessee, as lessee; together with (i) all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment hereinabove described, whether now owned or hereafter acquired, except such thereof as remain the property of the Lessee under the Lease, (ii) all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment, except such thereof as remain the property of the Lessee under the Lease, together with all the rents, issues, income, profits and avails therefrom, and (iii) all proceeds, including, without limitation, insurance proceeds, and products of any of the foregoing.

1.2. The Lease. Collateral also includes all right, title, interest, claims and demands of the Owner-Trustee as lessor in, to and under the Lease, including all extensions of the term of the Lease, together with all rights, powers, privileges, options and other benefits of the Owner-Trustee as lessor under the Lease, including, without limitation:

(a) the immediate and continuing right to receive and collect all Rent and Casualty Value payments, insurance proceeds, condemnation awards and other payments, tenders and security now or hereafter payable to or receivable by the Owner-Trustee as lessor under the Lease pursuant thereto, except those sums reserved as Excepted Rights in Collateral;

(b) the right to make all waivers and agreements and to enter into any amendments relating to the Lease or any provision thereof, except with regard to the right of the Owner-Trustee or the Trustor to receive those sums reserved as Excepted Rights in Collateral; provided, however, that so long as no Default or Event of Default shall have occurred and be continuing, the Security Trustee may not make any waivers or enter into any amendments to the Lease or any provision thereof without the consent of the Owner-Trustee, which consent shall not be unreasonably withheld, and that if a Default or an Event of Default shall have occurred and be continuing, the Security Trustee shall give the Owner-Trustee and the Trustor not less than ten (10) Business Days prior written notice of the date (the "Proposed Waiver Date") on which the Security Trustee intends to exercise the right hereunder to make any waiver or agreement or enter into any amendment to the Lease or any provision thereof which would (i) reduce or alter the amount or the terms or conditions of any payment of Rent due under the Lease or interest thereon, (ii) extend the Lease Term, (iii) alter the options to renew or purchase the Equipment, or (iv) materially alter, in a manner detrimental to the Owner-Trustee or the Trustor, the provisions of Section 13, 15 or 17 of the Lease, and specifying the manner and effect thereof; and

(c) the right to take such action upon the occurrence of a Default or an Event of Default under the Lease, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Lease or by law, and to do any and all other things whatsoever which the Owner-Trustee or any lessor is or may be entitled to do under the Lease;

it being the intent and purpose hereof that the assignment and transfer to the Security Trustee of said rights, powers, privileges, options and other benefits shall be effective and operative immediately and shall continue in full force and effect, and the Security Trustee shall have the right to collect and receive all Rent and Casualty Value payments and other sums for application in accordance with the provisions of Section 5 hereof at all times during the period from and after the date of this Security Agreement until the indebtedness hereby secured has been fully paid and discharged.

1.3. Assigned Agreements. Subject only to such rights as the Owner-Trustee shall have granted to the Lessee in Section 5(b) of the Lease, Collateral also includes all right, title, interest, claims and demands of the Owner-Trustee in, to and under the Bills of Sale, any and all other contracts and

agreements relating to the Equipment or any rights or interests therein to which the Owner-Trustee is now or may hereafter be a party, excepting the Tax Indemnity Agreement, together with all rights, powers, privileges, licenses, easements, options and other benefits of the Owner-Trustee under each thereof, including, without limitation, the right to make all waivers and agreements, to give and receive all notices and other instruments or communications, to take such action upon the occurrence of a default thereunder, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted thereby or by law, and to do any and all other things which the Owner-Trustee is or may be entitled to do thereunder;

1.4. Duration of Security Interest. The Security Trustee, its successors in trust and assigns shall have and hold the Collateral forever; provided, always, however, that such security interest is granted upon the express condition that if the Owner-Trustee shall pay or cause to be paid all the indebtedness hereby secured then these presents and the estate hereby granted and conveyed shall cease and this Security Agreement shall become null and void, and in such event the Security Trustee shall (upon the request of the Owner-Trustee and at no cost to the Security Trustee) execute and deliver to the Owner-Trustee such instrument or instruments as may be necessary or appropriate in order to make clear upon the public records the title of the Owner-Trustee in and to the Collateral; otherwise this Security Agreement shall remain in full force and effect.

SECTION 2. EXECUTION, PAYMENT, REGISTRATION, ETC. OF NOTES.

2.1. Execution of Notes; Principal Amount. (a) The Notes shall be signed on behalf of the Owner-Trustee by any Person who, at the date of the actual execution of such Note, shall be a proper officer of the Owner-Trustee. Only such Notes as shall bear thereon a certificate of authentication substantially in the form set forth in Exhibit A hereto shall be entitled to the benefits of this Security Agreement or be valid or obligatory for any purpose. Such certificate by the Security Trustee upon any Note executed by the Owner-Trustee shall be conclusive evidence that the Note so authenticated has been duly authenticated and delivered hereunder and that the holder is entitled to the benefits of this Security Agreement. The authentication by the Security Trustee of any Note issued hereunder shall not be construed as a representation or warranty by the Security Trustee as to the validity or security of this Security Agreement or of such Note, and the Security Trustee shall in no respect be liable or answerable for the use made of such Note or the proceeds thereof. The Security Trustee shall, upon presentation to it of Notes duly executed on behalf of the Owner-Trustee, authenticate such Notes upon the written request of the Owner-Trustee so to do

and shall thereupon deliver such Notes to or upon the written order of the Owner-Trustee signed by any person who, at the date of the actual execution of such order, shall be a proper officer of the Owner-Trustee.

(b) The principal amount of the Notes to be issued hereunder shall not exceed \$9,765,000, except as provided in Section 2.4(b), (c) or (f).

2.2. Payment of Notes. (a) The principal of, premium, if any, and interest on the Notes shall be payable at the principal office of the Security Trustee, in lawful money of the United States of America. Payment of principal and interest on the Notes shall be made only upon presentation of such Notes to the Security Trustee for notation thereon of the amount of such payment. Any payment or prepayment of amounts due on the Notes in accordance with the terms thereof and hereof which is due on a date which is not a Business Day shall be payable on the immediately preceding Business Day.

(b) Notwithstanding the foregoing provisions of paragraph (a) of this Section 2.2, if any Note is held by a Noteholder which is an institutional investor, the Security Trustee shall, if so requested in writing by such Noteholder (and Section 6 of the Participation Agreement shall constitute such written request in the case of the Note Purchasers), make payment of interest on such Note and make payments or prepayments of the principal thereof, and any premium, by check, duly mailed, by first-class mail, postage prepaid, or delivered to such Noteholder at its address appearing on the Register without surrender or presentation of such Note and without any notation of such payment being made thereon, and such Noteholder (or Person for whom such Noteholder is a nominee) will, before selling, transferring or otherwise disposing of such Note, present such Note to the Security Trustee for transfer and notation as provided in Sections 2.4 and 2.5. Upon written notice from any Noteholder which is an institutional investor or its nominee given not less than ten (10) days prior to the payment or prepayment of the Notes (and Section 6 of the Participation Agreement shall constitute such written notice in the case of the Note Purchaser), the Security Trustee will cause all payments and prepayments of the principal of, and interest and premium, if any, on the Notes held by such Noteholder or its nominee to be made to any bank in the continental United States as shall be specified in such notice by wire transfer of immediately available Federal Reserve funds to such bank, on each such date such payment or prepayment is due, provided that such bank has facilities for the receipt of a wire transfer. The Security Trustee will transmit any such wire transfer from its offices not later than 1:00 P.M., Hartford, Connecticut time, on each such date payment or prepayment is due provided available funds have been received by the Security Trustee prior to 11:00 A.M., Hartford, Connecticut time.

2.3. Registered and Order Notes; the Register. (a) The Notes shall be issuable as fully registered Notes (the "Registered Notes") or as unregistered Notes transferable by endorsement and delivery (the "Order Notes"), in each case in the form attached hereto as Exhibit A with the provisions therein indicated for Registered Notes or Order Notes, as the case may be. The Owner-Trustee shall cause to be kept at the principal office of the Security Trustee a register for the registration and transfer of Registered Notes (herein called the "Register"). The names and addresses of the holders of the Notes, the transfers of the Notes and the names and addresses of the transferees of all Notes shall be registered in the Register.

(b) Anything to the contrary contained in this Security Agreement notwithstanding, the Owner-Trustee shall not be required to issue any Order Note unless it shall have received an opinion, in form and substance satisfactory to it, the Trustor and the Lessee, of independent counsel selected by the Trustor and satisfactory to the Noteholder requesting such issuance to the effect that such Order Note is not a "registration-required obligation" within the meaning of Section 163(f)(2) of the Code.

2.4. Transfers and Exchanges of Notes; Lost or Mutilated Notes. (a) Title to any Order Note shall pass by endorsement and delivery. Each holder of an Order Note, by its acceptance thereof, agrees that if such holder shall sell or transfer such Order Note, such holder will notify the Owner-Trustee and the Security Trustee of the name and address of the transferee; such holder will, prior to the delivery of such Order Note, make a notation on such Order Note of the date to which interest has been paid thereon and of the amount of any prepayments made on account of the principal thereof; and such holder will hold the Owner-Trustee and the Security Trustee harmless from any liability arising out of the failure of such holder to comply with the provisions of this sentence.

(b) The holder of any Registered Note may transfer such Note upon the surrender thereof at the principal office of the Security Trustee, or upon notice to the Security Trustee as provided in Section 6 of the Participation Agreement. If such Noteholder has surrendered its Note to the Security Trustee, thereupon, the Owner-Trustee shall execute in the name of the transferee a new Registered Note or Registered Notes in an aggregate principal amount equal to the original principal amount of the Note so surrendered, and the Security Trustee shall authenticate and deliver such new Registered Note or Registered Notes to such transferee.

(c) Subject to the provisions of Section 2.3(b), the holder of any Order Note or the holder of any Registered Note may

at any time surrender such Note at the principal office of the Security Trustee in exchange for an equal aggregate principal amount of Notes either in the form of Registered Notes or in the form of Order Notes, or partly one and partly the other.

(d) All Notes presented or surrendered for transfer shall be accompanied (if so required by the Owner-Trustee or by the Security Trustee) by a written instrument or instruments of assignment or transfer, in form satisfactory to the Security Trustee, duly executed by the holder or by its attorney duly authorized in writing. The Owner-Trustee and the Security Trustee shall not be required to make a transfer or an exchange of any Note for a period of ten (10) days preceding any payment date with respect thereto.

(e) No notarial seal shall be necessary for the transfer or exchange of any Note pursuant to this Section 2.4, and the holder of any Note issued as provided in this Section 2.4 shall be entitled to any and all rights and privileges granted under this Security Agreement to a holder of a Note.

(f) In case any Note shall become mutilated or be destroyed, lost or stolen, the Owner-Trustee, upon the written request of the holder thereof, shall execute and the Security Trustee shall authenticate and deliver a new Note in exchange and substitution for the mutilated Note, or in lieu of and in substitution for the Note so destroyed, lost or stolen. The applicant for a substitute Note shall furnish to the Owner-Trustee and to the Security Trustee such security or indemnity as may be required by them to save each of them harmless from all risks resulting from the authentication and delivery of the substitute Note, and the applicant shall also furnish to the Owner-Trustee and to the Security Trustee evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's Note and of the ownership thereof. In case any Note which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Owner-Trustee may, instead of issuing a substitute Note, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Note), if the applicant for such payment shall furnish to the Owner-Trustee and to the Security Trustee such security or indemnity as they may require to save them harmless, and shall provide evidence to the satisfaction of the Owner-Trustee and the Security Trustee of the mutilation, destruction, loss or theft of such Note and the ownership thereof. If an institutional Noteholder or its nominee is the owner of any mutilated, destroyed, lost or stolen Note, then the affidavit of an officer in form reasonably satisfactory to the Owner-Trustee and the Security Trustee setting forth the fact of destruction, loss or theft and such Note Purchaser's ownership of the Note at the time of such mutilation, destruction, loss or theft shall be accepted as satisfactory evidence thereof and no indemnity shall be required as a condition to execution and

delivery of a new Note other than the written agreement of such Noteholder, in form reasonably satisfactory to the Owner-Trustee and the Security Trustee, to indemnify the Owner-Trustee and the Security Trustee from all risks resulting from the authentication and delivery of the substitute Note.

2.5. The New Notes. (a) Each new Note (herein, in this Section 2.5, called a "New Note") issued pursuant to Section 2.4(b), (c) or (f) in exchange for or in substitution or in lieu of an outstanding Note (herein, in this Section 2.5, called an "Old Note") shall be dated the date of such Old Note. The Security Trustee shall mark on each New Note (i) the date to which principal and interest have been paid on such Old Note, and (ii) all payments and prepayments of principal previously made on such Old Note which are allocable to such New Note. Interest shall be deemed to have been paid on such New Note to the date on which interest shall have been paid on such Old Note, and all payments and prepayments of principal marked on such New Note, as provided in clause (ii) above, shall be deemed to have been made thereon.

(b) Upon the issuance of a New Note pursuant to Section 2.4(b), (c) or (f), the Owner-Trustee may require the payment of a sum to reimburse it for, or to provide it with funds for, the payment of any tax or other governmental charge or any other charges and expenses connected therewith which are paid or payable by the Owner-Trustee.

(c) All New Notes issued pursuant to Section 2.4(b), (c) or (f) in exchange for or in substitution or in lieu of Old Notes shall be valid obligations of the Owner-Trustee evidencing the same debt as the Old Notes and shall be entitled to the benefits and security of this Security Agreement to the same extent as the Old Notes.

(d) Upon the issuance of any Note pursuant to this Security Agreement, the Security Trustee shall deliver to the holder thereof an amortization schedule with respect to such Note setting forth the amount of the scheduled principal to be made on such Note after the date of issuance thereof and the unpaid principal balance of such Note after each such payment.

2.6. Cancellation of Notes. All Notes surrendered for the purpose of payment, redemption, transfer or exchange shall be delivered to the Security Trustee for cancellation or, if surrendered to the Security Trustee, shall be cancelled by it, and no Notes shall be issued in lieu thereof except as expressly required or permitted by any of the provisions of this Security Agreement. The Security Trustee shall deliver a certificate to the Owner-Trustee specifying any cancellation of Notes which has been made. All such cancelled Notes shall be held by the Security Trustee until this Security Agreement shall have been discharged, at which time the Security Trustee shall either deliver such

cancelled Notes in a manner necessary to effect the discharge and release of this Security Agreement or, if no such delivery is necessary, such Notes shall be delivered to or disposed of as directed by the Owner-Trustee.

2.7. Security Trustee as Agent. The Security Trustee is hereby appointed the agent of the Owner-Trustee for the payment, registration, transfer and exchange of Notes. Subject to the provisions of Section 2.2, Notes may be presented for payment at, and notices or demands with respect to the Notes or this Security Agreement may be served or made at, the principal corporate trust office of the Security Trustee.

2.8. Ownership. Title to any Order Note shall pass by endorsement and delivery, but neither the Owner-Trustee nor the Security Trustee shall be bound to recognize any Person as the holder of an Order Note unless and until his title thereto has been satisfactorily established. The Person in whose name any Registered Note shall be registered shall be deemed and treated as the owner thereof for all purposes of this Security Agreement and neither the Owner-Trustee nor the Security Trustee shall be affected by any notice to the contrary. Payment of or on account of the principal of, premium, if any, and interest on such Registered Note shall be made only to or upon the order in writing of such registered owner. For the purpose of any request, direction or consent hereunder, the Owner-Trustee and the Security Trustee may deem and treat the registered owner of any Registered Note as the owner and holder thereof without production of such Registered Note.

SECTION 3. COVENANTS AND WARRANTIES OF THE DEBTOR.

The Owner-Trustee covenants, warrants and agrees for the benefit of the Security Trustee and the holders of the Notes as follows:

3.1. Owner-Trustee's Duties. The Owner-Trustee covenants and agrees well and truly to perform, abide by and be governed and restricted by each and all of the terms, provisions, restrictions, covenants and agreements set forth in the Participation Agreement, and in each and every supplement thereto or amendment thereof which may at any time or from time to time be executed and delivered by the parties thereto or their successors and assigns, to the same extent as though each and all of said terms, provisions, restrictions, covenants and agreements were fully set out herein and as though any amendment or supplement to the Participation Agreement were fully set out in an amendment or supplement to this Security Agreement. The Owner-Trustee undertakes to perform only such duties as are expressly and specifically set forth herein and in the other Operative Agreements (as defined in the Participation Agreement) and no

implied obligations or covenants shall be read into this Security Agreement or any other Operative Agreements against the Owner-Trustee.

3.2. Warranty. The Owner-Trustee has the right, power and authority under the Trust Agreement to grant a security interest in the Collateral to the Security Trustee for the uses and purposes herein set forth; and the Owner-Trustee will warrant and defend the title to the Collateral against all claims and demands of persons claiming by, through or under the Owner-Trustee, excepting only this Security Agreement and Permitted Encumbrances. The Owner-Trustee also agrees that it will, in its individual capacity and at its own cost and expense, without regard to the provisions of Section 9 hereof, promptly take such action as may be necessary to duly discharge any liens and encumbrances on the Collateral which result from claims against the Owner-Trustee in its individual capacity and not related to the ownership of the Equipment or the administration of the Trust Estate. Without limiting the foregoing, there is no financing statement or other filed or recorded instrument in which the Owner-Trustee is named and which the Owner-Trustee has signed, as debtor or mortgagor, now on file in any public office covering any of the Collateral excepting the financing statements or other instruments filed or to be filed in respect of and for the security interest provided for herein.

3.3. Further Assurances. The Owner-Trustee will, upon the request of and at no expense to the Security Trustee, (a) on or prior to each Equipment Closing Date, execute a Security Agreement Supplement in the form of Exhibit B attached hereto specifically identifying the Items of Equipment being settled for on such date, and (b) do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection of the security interest being herein provided for in the Collateral, whether now owned or hereafter acquired. Without limiting the foregoing but in furtherance of the security interest herein granted in the rents and other sums due and to become due under the Lease, the Owner-Trustee covenants and agrees that it will, pursuant to Section 16 of the Lease, notify the Lessee of the assignment hereunder and direct the Lessee to make all payments of such rents and other sums due and to become due under the Lease directly to the Security Trustee or as the Security Trustee may direct in writing.

3.4. After-Acquired Property. Any and all property described or referred to in the granting clauses hereof which is hereafter acquired shall ipso facto, and without any further conveyance, assignment or act on the part of the Owner-Trustee or the Security Trustee, become and be subject to the security interest herein granted as fully and completely as though specifically described herein, but nothing in this Section 3.4 contained shall be deemed to modify or change the obligation of the Owner-Trustee under Section 3.3 hereof.

3.5. Recordation and Filing. The Owner-Trustee will cooperate fully with the Lessee and/or the Security Trustee in any effort to cause this Security Agreement and all supplements hereto, the Lease and all supplements thereto, and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at no expense to the Security Trustee in such manner and in such place as may be requested in writing by the Security Trustee in order to fully preserve and protect the rights of the Security Trustee hereunder.

In case of any appointment of a successor to the Owner-Trustee, or a merger, consolidation or acquisition of assets thereof, or other event resulting in a change of name of the Owner-Trustee, the Owner-Trustee shall record such instruments as are appropriate to show for the public record such succession or change of name in every public office where this Security Agreement or evidence thereof shall have been filed or recorded.

3.6. Actions with Respect to Collateral. The Owner-Trustee will not:

(a) declare a default or exercise the remedies of the Lessor under, or terminate, modify or accept a surrender of, or offer or agree to any termination, modification or surrender of, the Lease (except as otherwise expressly provided herein), or, except as permitted under the Lease, by affirmative act consent to the creation or existence of any security interest or other Lien to secure the payment of indebtedness upon the leasehold estate created by the Lease or any part thereof;

(b) receive or collect any payment of Rent, or Casualty Value under the Lease prior to the date of payment thereof provided for by the Lease or assign, transfer or hypothecate (other than to the Security Trustee hereunder) any payment of Rent or Casualty Value which is then due or to accrue in the future under the Lease in respect of the Equipment; or

(c) except as specifically provided in Section 3.5(d) of the Participation Agreement or Sections 3.11 or 3.12 of the Trust Agreement as in effect on the date hereof, sell, mortgage, transfer, assign or hypothecate (other than to the Security Trustee hereunder) its interest in the Equipment or any part thereof or in any amount to be received by it from the use or disposition of the Equipment.

3.7. Power of Attorney in Respect of the Lease. Except with respect to Excepted Rights in Collateral, the Owner-Trustee does hereby irrevocably constitute and appoint the Security Trustee its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all rents, income and other sums which are assigned under Section 1 hereof (with full power if an Event of Default shall have occurred and be continuing hereunder to settle, adjust or compromise any claim thereunder as fully as the Owner-Trustee could itself do), to accept any offer of the Lessee to purchase the Equipment as provided in the Lease and upon such purchase to execute and deliver in the name of and on behalf of the Owner-Trustee an appropriate bill of sale and other instruments of transfer relating to the Equipment when purchased by the Lessee in accordance with the Lease, and to endorse the name of the Owner-Trustee on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Owner-Trustee or otherwise, which the Security Trustee may deem necessary or appropriate to protect and preserve the right, title and interest of the Security Trustee in and to such rents and other sums and the security intended to be afforded hereby.

3.8. Notice of Default. Each party hereto covenants and agrees that it will give the other party hereto, the Trustor and each Noteholder prompt written notice of any event or condition constituting an Event of Default under the Lease if, in the case of the Owner-Trustee, a "Responsible Officer" (as defined in Section 3.10 of the Trust Agreement) in the Corporate Trust Administration of the Owner-Trustee has actual knowledge of such event or condition, and in the case of the Security Trustee, it has knowledge of an Event of Default under the provisions of Section 8.2(g) hereof.

3.9. Revised Schedules Prior to Adjustment of Rentals and after Casualty Value Payments. At least ten (10) days prior to any adjustments of the Fixed Rent and Casualty Values pursuant to Section 2.3 of the Lease or Section 2.7 of the Participation Agreement, the Owner-Trustee shall furnish to each Noteholder and to the Security Trustee revised schedules of the Fixed Rent and Casualty Values as so adjusted. Promptly following any settlement of Casualty Value by the Lessee pursuant to Section 11 of the Lease, the Owner-Trustee shall furnish to each Noteholder and to the Security Trustee revised schedules of the Fixed Rent.

SECTION 4. POSSESSION, USE AND RELEASE OF PROPERTY.

4.1. Possession of Collateral. While the Owner-Trustee is not in default hereunder, it shall be permitted to remain in full possession, enjoyment and control of the Equipment and to manage, operate and use the same and each part thereof with the rights and franchises appertaining thereto, provided, always, that the possession, enjoyment, control and use of the Equipment shall at all times be subject to the observance and performance of the terms of this Security Agreement. It is expressly understood that the use and possession of the Equipment by the Lessee under and subject to the Lease shall not constitute a violation of this Section 4.1.

4.2. Release of Property. So long as no Event of Default under the Lease has occurred and is continuing to the knowledge of the Security Trustee, the Security Trustee shall execute a release in respect of any Item of Equipment designated by the Lessee for settlement of Casualty Value pursuant to Section 11 of the Lease upon receipt from the Lessee of written notice designating the Item of Equipment in respect of which the Lease will terminate and the receipt from the Lessee of all sums payable for such Item of Equipment in compliance with Section 11 of the Lease. Any such written notice from the Lessee shall be accompanied by an Officer's Certificate of the Lessee setting forth the basis for such request and stating that the Lessee has complied with the applicable provisions of the Lease, together with such additional evidence of such compliance as the Security Trustee shall request. The Security Trustee agrees to execute such instruments as the Owner-Trustee shall reasonably request to evidence such release and consents to all appropriate filings to confirm such release of public record.

4.3. Condemnation. The Owner-Trustee, immediately upon obtaining actual knowledge of the institution of any proceedings for the condemnation of the Collateral or any portion thereof, which such condemnation proceedings, if successful, would reasonably be likely to result in a Casualty Occurrence, shall notify the Security Trustee of the pendency of such proceedings. The Security Trustee may participate in any such proceedings, and the Owner-Trustee from time to time will deliver or cause to be delivered to the Security Trustee all instruments requested by it to permit such participation. In the event of such condemnation proceedings, the award or compensation payable to the Owner-Trustee or assigned to the Owner-Trustee by the Lessee under the Lease shall be paid to the Security Trustee, and such award or compensation shall be retained by the Security Trustee as part of the Collateral and applied in accordance with Section 5. The Security Trustee shall be under no obligation to question the amount of the award or compensation and the Security Trustee may accept any such award or compensation. In any such compensation proceedings the Security Trustee may be represented by counsel.

4.4. Release of Collateral - Consent of Noteholders.

In addition to any release pursuant to Section 4.2, the Owner-Trustee may sell or otherwise dispose of all or any part of the Collateral then subject to the Lien of this Security Agreement, and the Security Trustee shall release the same from the Lien and security interest hereof, to the extent and on the terms and upon compliance with the conditions provided for in any written consent given thereto at any time or from time to time by the holder or holders of all the Secured Indebtedness.

4.5. Protection of Purchaser. No purchaser in good

faith of property purporting to be released hereunder shall be bound to ascertain the authority of the Security Trustee to execute the release, or to inquire as to any facts required by the provisions hereof for the exercise of such authority; nor shall any purchaser, in good faith, of any item or unit of the Collateral be under obligation to ascertain or inquire into the conditions upon which any such sale is hereby authorized.

SECTION 5. APPLICATION OF ASSIGNED RENTALS AND CERTAIN OTHER MONEYS RECEIVED BY THE SECURITY TRUSTEE.

5.1. Application of Rents and Other Payments. As more fully set forth in Section 1.2 hereof, the Owner-Trustee has hereby granted to the Security Trustee a security interest in Rents, issues, profits, income, insurance proceeds and other sums due and to become due under the Lease in respect of the Equipment as security for the Notes. So long as no Default or Event of Default has occurred and is continuing to the knowledge of the Security Trustee:

(a) Interim Rent and Fixed Rent. The amounts from time to time received by the Security-Trustee which constitute payment by the Lessee of installments of Interim Rent or Fixed Rent under the Lease and amounts received from the Owner-Trustee on the first Rent Payment Date shall be applied first, to the payment of the installments of principal and interest (and in each case first to interest and then to principal) on the Notes which have become due and payable or will become due and payable on or before the due date of such installment of Interim Rent or Fixed Rent which is received by the Security Trustee, and then the balance, if any, of such amounts shall be paid to or upon the order of the Owner-Trustee on the later of (i) such due date and (ii) the first Business Day following the receipt thereof;

(b) Additional Rent. The amount, if any, from time to time received by the Security Trustee which constitutes payment of Additional Rent pursuant to

Section 2.1(c) of the Lease (other than Termination Value and Casualty Value payments) shall be paid to or upon the order of the Owner-Trustee, or to such other party which is to receive the same pursuant to the terms of the Lease;

(c) Casualty Value. The amounts from time to time received by the Security Trustee which constitute settlement by the Lessee of the Casualty Value for any Item of Equipment pursuant to Section 11 of the Lease shall be applied by the Security Trustee as follows:

(i) First, to the payment of an amount, if any, equal to the accrued and unpaid interest on that portion of the Notes to be prepaid pursuant to the following subparagraph;

(ii) Second, an amount equal to the Loan Value of the Item of Equipment for which settlement is then being made shall be applied to the prepayment of the Notes so that each of the remaining installments of each Note shall be reduced in the proportion that the principal amount of the prepayment bears to the unpaid principal amount of the Notes immediately prior to the prepayment;

(iii) Third, in the case of a Casualty Occurrence declared pursuant to Section 7(c) of the Lease, the premium required by Section 5.4 hereof to each holder of Notes subject to prepayment thereunder; and

(iv) Fourth, the balance, if any, of such amounts held by the Security Trustee after making the applications provided for by the preceding subparagraphs (i) and (ii) shall be released to or upon the order of the Owner-Trustee on the date of payment of the amounts provided in the preceding clauses (i) and (ii).

For purposes of this Agreement and the other Operative Agreements, the "Loan Value" in respect of any Item of Equipment as of any Casualty Value payment date or shall be an amount equal to the product of (A) a fraction, the numerator of which is an amount equal to the Equipment Cost of such Item of Equipment for which settlement is then being made and the denominator of which is the aggregate Equipment Cost of all Items of Equipment then subject to the Lease (including such Item), times (B) the unpaid principal balance of the Notes, after application of any installment payment made on such date of prepayment;

(d) Insurance Proceeds. The amounts received by the Security Trustee from time to time which constitute proceeds of property or casualty insurance maintained by the Lessee on the Equipment, shall be held by the Security Trustee as a part of the Collateral and shall be applied by the Security Trustee from time to time to any one or more of the following purposes:

(i) So long as no Default or Event of Default under the Lease has occurred and is continuing to the knowledge of the Security Trustee, the proceeds of such insurance shall, if the Item of Equipment is to be repaired or restored, be released to the Owner-Trustee to reimburse or pay the Lessee for expenditures made for such repair or restoration within thirty (30) days following receipt by the Security Trustee of a written application signed by the Lessee for payment of, or to reimburse the Lessee for payment of, the costs of repairing or restoring the Item of Equipment which has been damaged, accompanied by an Officer's Certificate of the Lessee stating that (A) the Lessee has complied with the applicable provision of the Lease, (B) no Default or Event of Default is outstanding under the Lease, and (C) any damage to such Item in respect of which such proceeds were paid has been fully repaired or restored, such Officer's Certificate to be accompanied by satisfactory evidence of such repair or restoration and the cost thereof; and

(ii) If the insurance proceeds shall not have been released to the Owner-Trustee pursuant to the preceding paragraph (i) within 180 days from the receipt thereof by the Security Trustee, or if within such period the Lessee shall have notified the Security Trustee in writing that the Lease is to be terminated in respect of such Item in accordance with the provisions of Section 11 of the Lease then so long as no Event of Default hereunder has occurred and is continuing to the knowledge of the Security Trustee, the insurance proceeds shall be applied by the Security Trustee as follows:

(A) First, to the prepayment of the Notes, all in the manner and to the extent provided for by Section 5.1(c) hereof; and

(B) Second, the balance, if any, of such insurance proceeds held by the Security Trustee after making the applications provided for by the preceding subparagraph (A) shall be released to or upon the order of the Owner-Trustee on the date of such prepayment of the Notes.

(e) Condemnation Awards. So long as no Default or Event of Default under the Lease has occurred and is continuing, any amounts received by or payable to the Security Trustee from time to time which constitute the award, compensation or damages payable for the condemnation or taking of all or any part of the Equipment for any public or quasi-public use (less the actual costs, fees and expenses incurred in the collection thereof) shall be released to or upon the order of the Owner-Trustee if such condemnation or taking does not constitute a Casualty Occurrence and otherwise shall be applied in accordance with Section 5.1.(c).

5.2. Multiple Notes. If more than one Note is outstanding at the time such application is made, such application shall be made on all outstanding Notes ratably in accordance with the aggregate principal amount remaining unpaid thereon.

5.3. Default. If an Event of Default referred to in Section 7 hereof has occurred and is continuing, all amounts received by the Security Trustee pursuant to Section 1 hereof shall be applied in the manner provided for in Section 7 in respect of proceeds and avails of the Collateral.

5.4. Premium. If the Notes shall be subject to prepayment because the Lessee shall have declared a Casualty Occurrence under Section 7(c) of the Lease, the Owner-Trustee shall pay to the Security Trustee, as a premium for such prepayment of the Notes, an amount equal to the excess, if any, of (x) the present value of all future installments of principal and interest due under such Notes (without giving effect to any acceleration thereof), such present value to be computed on the basis of a per annum rate of discount equal to the sum of (A) the per annum rate of interest as of the date of such determination on those United States Treasury Securities having a maturity equal to, or most nearly approximating, the average life of the principal installments to be prepaid, plus (B) 0.75%, minus (y) the principal amount to be prepaid. In no event shall such premium amount be less than zero.

SECTION 6. PREPAYMENT OF NOTES.

6.1. Prepayments. Neither any prepayment of any Notes nor any purchase by the Owner-Trustee of any Notes may be made except to the extent and in the manner expressly permitted by this Security Agreement. Every prepayment of Notes required to be made pursuant to Section 5 and any prepayment permitted to be made under Section 7 shall be made in accordance with the provisions of this Section 6.

6.2. Mandatory Prepayments. In the event of a termination of the Lease by the Lessee pursuant to the provisions of Section 11 of the Lease with respect to any Item of Equipment, on the date of such termination the Owner-Trustee shall prepay and apply, and there shall become due and payable, a principal amount of the Notes equal to the Loan Value of the Items of Equipment with respect to which the Lease is being terminated, and all accrued and unpaid interest thereon, but without premium except as otherwise provided in Section 5.4.

6.3. Notice of Prepayment; Partial Prepayments.

(a) Notice of Prepayment. In the case of any prepayment of indebtedness of the Owner-Trustee evidenced by the Notes, notice thereof in writing to the holders of the Notes to be so paid shall be sent by the Security Trustee as agent and attorney-in-fact of the Owner-Trustee in the manner set forth in Section 11.3, to the holder of each Note to be paid, at least 30 and not more than 60 days prior to the date fixed for payment or such later date as the Security Trustee shall have received notice of such prepayment. Such notice shall specify the date fixed for payment and the provision hereof under which such payment is being effected, and on the date fixed for payment there will become due and payable upon each Note or portion thereof so to be paid at the place where the principal of the Notes to be paid is payable, the specified amount of principal thereof, together with the accrued interest to such date, but without premium, except as otherwise provided with respect to the prepayment provided in Section 7.2 and in Section 5.4.

(b) Allocation of Partial Prepayments. In the event of any partial prepayment of any Notes, the aggregate principal amount of such Notes to be prepaid shall be prorated by the Security Trustee among the holders thereof in proportion to the unpaid principal amount of such Notes held by them, and the Security Trustee shall designate the portions of such Notes of each such holder to be prepaid.

(c) Deposit of Prepayment Funds. On or prior to the date fixed for any prepayment of Notes the moneys required for such payment shall be deposited with the Security Trustee by the Owner-Trustee.

SECTION 7. DEFAULTS AND OTHER PROVISIONS.

7.1. Events of Default. The term "Event of Default" for all purposes of this Security Agreement shall mean one or more of the following:

(a) Default in payment of an installment of the principal of, or interest on, any Note when and as the same shall become due and payable, whether at the due date thereof or at the date fixed for prepayment or by acceleration or otherwise, and such default shall continue unremedied for five (5) Business Days;

(b) An Event of Default (as defined in the Lease) shall have occurred and be continuing under the Lease;

(c) Default on the part of the Owner-Trustee or the Trustor in the due observance or performance of any covenant or agreement to be observed or performed by the Owner-Trustee or the Trustor, as the case may be, under this Security Agreement or the Participation Agreement, and such default shall continue unremedied for thirty (30) days after written notice from the Security Trustee to the Owner-Trustee and the Trustor specifying the default and demanding the same to be remedied;

(d) Any representation or warranty on the part of the Owner-Trustee or the Trustor made herein or in the Participation Agreement or in any report, certificate, financial or other statement furnished by the Owner-Trustee or the Trustor in connection with this Security Agreement, the Lease or the Participation Agreement, or the transactions contemplated therein, shall prove to have been false or misleading in any material respect when made;

(e) Any claim, lien or charge (other than Permitted Encumbrances and liens, charges and encumbrances which the Lessee is obligated to discharge under Section 9 of the Lease) shall be asserted against or levied or imposed upon the Equipment which is prior to or on a parity with the security interest granted hereunder, and such claim, lien or charge shall not be discharged or removed (or bonded in a manner reasonably satisfactory to the Security Trustee) within thirty (30) days after written notice from the Security Trustee or the holder of any Note to the Owner-Trustee and the Lessee demanding the discharge or removal thereof;

(f) The Owner-Trustee, the Trustor or the Trust shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in any voluntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing; or

(g) An involuntary case or other proceeding shall be commenced against the Trust, the Trustor or the Owner-Trustee seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) days.

7.2. Security Trustee's Rights. The Owner-Trustee agrees that when any Event of Default has occurred and is continuing, the Security Trustee shall have the rights, options, duties and remedies of a secured party, and the Owner-Trustee shall have the rights and duties of a debtor, under the Uniform Commercial Code, and without limiting the foregoing, the Security Trustee may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute.

(a) The Security Trustee may, and upon the written request of the holders of at least 25% in principal amount of the Notes then outstanding shall, by notice in writing to the Owner-Trustee, declare the entire unpaid balance of the Notes to be immediately due and payable, and thereupon all such unpaid balance, together with all accrued interest thereon, shall be and become immediately due and payable;

(b) Subject always to the existing rights, if any, of the Lessee under the Lease, if the Security Trustee shall so request, the Owner-Trustee shall deliver the Collateral to the Security Trustee (it being understood that delivery of the Equipment shall be made by the Lessee pursuant to Section 15 of the Lease), and the Security Trustee personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Owner-Trustee, with or without notice, demand, process of law or legal procedure, if this can be done without breach of the peace, and search for, take possession of, remove, keep and store the same, or use and operate or lease the same until sold, and to collect and receive all earnings, revenues, rents, issues, proceeds and income of the Collateral and every part thereof, to make alterations, improvements and additions thereon or remove and dispose of any portion of the Collateral and to otherwise exercise any and all of the rights and powers of the Owner-Trustee in respect thereof;

(c) Subject always to the existing rights, if any, of the Lessee under the Lease, the Security Trustee may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession and either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of any such sale to the Owner-Trustee, the Trustor and the Lessee at least ten (10) days prior to (i) the date of any public sale or (ii) the date on or after which any private sale may take place, and any other notice which may be required by law, sell and dispose of the Collateral, or any part thereof, at public auction to the highest bidder or at private sale or sales conducted in a commercially reasonable manner, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Security Trustee may determine, and at any place (whether or not it be the location of the Collateral or any part thereof) designated in the notice above referred to. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further published notice, and the Security Trustee or the holder or holders of the Notes, or of any interest therein, or the Owner-Trustee may bid and become the purchaser at any such sale;

(d) Subject always to the existing rights of the Lessee under the Lease, if any, the Security Trustee may proceed to protect and enforce this Security Agreement and the Notes by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted; or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof, or subject to the provisions of Section 9 hereof, for the recovery of judgment for the indebtedness hereby secured or for the enforcement of any other proper, legal or equitable remedy available under applicable law; and

(e) Subject always to the existing rights of the Lessee under the Lease, if any, and to the proviso to Section 1.2(b), the Security Trustee may proceed to exercise all rights, privileges and remedies of the Owner-Trustee under the Lease and may exercise all such rights and remedies either in the name of the Security Trustee or in the name of the Owner-Trustee for the use and benefit of the Security Trustee and the Noteholders.

If an Event of Default hereunder shall result solely from an Event of Default under the Lease, the Security Trustee shall not divest the Owner-Trustee of title to any Item of Equipment except in conjunction with or following termination of the Lease and repossession of such Item from the Lessee. In the event that the unpaid balance of the Notes is accelerated as provided in Section 7.2(a), with respect to an Event of Default hereunder which is not the result of an Event of Default under the Lease, then such balance of the Notes shall be paid with the premium set forth below. Such premium with respect to each Note shall be an amount equal to the excess, if any, of (x) the present value of all future installments of principal and interest due under such Note (without giving effect to any acceleration thereof), such present value to be computed on the basis of a per annum rate of discount equal to the sum of (A) the per annum rate of interest as of the date of such determination on those United States Treasury Securities having a maturity equal to, or most nearly approximating, the average life of the principal installments to be prepaid, plus (B) 0.75%, minus (y) the principal amount to be prepaid. In no event shall such premium amount be less than zero. For purposes of the aforesaid, if an Event of Default shall have occurred under Section 14.1(a) of the Lease, the Event of Default under Section 7.1(a) hereof corresponding thereto shall be deemed to have resulted from such Event of Default under the Lease.

7.3. Certain Rights of the Owner-Trustee.

(a) Right to Cure. The Security Trustee shall give the holders of the Notes, the Owner-Trustee and the Trustor written notice of any Default or Event of Default of which the Security Trustee has knowledge and if such Default or Event of Default arises out of the nonpayment of Fixed Rent under the Lease or out of such other Default or Event of Default under the Lease which can be cured by the payment of money, the Security Trustee shall give the Owner-Trustee and the Trustor not less than ten (10) Business Days prior written notice of the date (the "Enforcement Date") on or after which the Security Trustee will exercise any remedy or remedies pursuant to Section 7.2 hereof, or the remedy of terminating the Lease pursuant to the provisions of Section 14.2 thereof. If such a Default or Event of Default shall have occurred and be continuing, the Owner-Trustee shall have the following rights hereunder

(i) In the event of the occurrence of an Event of Default resulting from the failure of the Lessee to pay Fixed Rent, on or prior to the Enforcement Date, the Owner-Trustee or the Trustor may, but shall not be obligated to, pay to the Security Trustee an amount equal to any principal and interest (including interest, if any, on overdue payments of principal and interest) then due and payable on the Notes, and unless the Owner-Trustee has cured Defaults or Events of Default in respect of the two (2) immediately preceding payments of Fixed Rent or any four (4) Defaults or Events of Default in respect of the payment of Fixed Rent, such payment by the Owner-Trustee under this Section 7.3(a) shall be deemed to cure any such Default or Event of Default under the Lease and any Default or Event of Default hereunder resulting therefrom which would otherwise have arisen on account of such non-payment by the Lessee of such installment of Fixed Rent under the Lease.

(ii) In the event that a Default or Event of Default (other than a default in the payment of Fixed Rent) which can be cured by the payment of money has occurred, on or prior to the Enforcement Date, the Owner-Trustee or the Trustor may, but shall not be obligated to, cure such Default or Event of Default by making such payment as is necessary to accomplish the observance or performance of the defaulted covenant, condition or agreement to the party entitled to the same; provided that the Owner-Trustee shall not have any such right to cure if the amount of any such payment when added to the amount of any prior payments made by the Owner-Trustee pursuant to this clause (ii) and unreimbursed by the Lessee would exceed \$500,000.

The Owner-Trustee shall not, by exercising the right to cure any such Default or Event of Default, obtain any lien, charge or encumbrance of any kind on any of the Collateral for or on account of costs or expenses incurred in connection with the exercise of such right nor shall any claims of the Owner-Trustee against the Lessee or any other party for the repayment of such costs or expenses impair the prior right and security interest of the Security Trustee in and to the Collateral. Upon such payment by the Owner-Trustee of the amount of principal and interest then due and payable on the Notes, the Owner-Trustee shall be subrogated to the rights of the Security Trustee in respect of any Fixed Rent which was overdue at the time of such payment and interest payable by the Lessee on account of its being overdue, and therefore, if no other Event of Default shall have occurred and be continuing and if all principal and interest payments due on the Notes have been paid at the time of receipt by the Security Trustee of such Fixed Rent and such interest, the Owner-Trustee shall be entitled to receive such Fixed Rent and such interest upon receipt thereof by the Security Trustee; provided that (i) in the event the principal and interest on the Notes shall have become due and payable pursuant to Section 7.2(a) hereof, such subrogation shall, until principal ~~of~~ and interest on all Notes shall have been paid in full, be subordinate to the rights of the Security Trustee in respect of such payment of Fixed Rent and such interest prior to receipt by the Owner-Trustee of any amount pursuant to such subrogation, and (ii) the Owner-Trustee shall not be entitled to seek to recover any such payment (or any payment in lieu thereof) except pursuant to the foregoing right of subrogation.

(b) Options to Prepay Notes. (i) At any time after the Security Trustee has given notice of a Proposed Waiver Date as provided in Section 1.2(b), the Owner-Trustee may within ten (10) Business Days after receipt of such notice, indicate in writing to the Security Trustee whether it intends to prepay the Notes, and if it so indicates, and if the Security Trustee has not withdrawn such notice, by notice to the Owner-Trustee and the Trustor, or the Lessee has not indicated that it will not agree to such waiver, agreement or amendment, within ten (10) Business Days after the Proposed Waiver Date, then the Owner-Trustee shall prepay the Notes on or prior to the third Business Day following such tenth Business Day, by payment of the entire unpaid principal amount thereof, together with accrued interest thereon to the date of payment, but without premium, plus all other sums then due and payable to the Security Trustee or the Noteholders hereunder or under the Participation Agreement, the Lease or the Notes; provided, however, that if the Owner-Trustee has prepaid the Notes pursuant to this Section 7.3(b)(i), then neither it nor the Trustor may agree to a waiver, agreement or amendment under the Lease (or under any lease superseding the Lease) substantially similar in effect to the proposed waiver, agreement or amendment set forth in the notice of Proposed Waiver Date which gave rise to

such prepayment, for a one-year period following such prepayment, and provided further, that if the Owner-Trustee has indicated its intention to prepay the Notes as provided above, the Security Trustee will not enter into such waiver, agreement or amendment on or prior to the date established herein for such prepayment. The Owner-Trustee may not exercise its prepayment option under this Section 7.3(b)(i) with respect to less than all of the Notes.

(ii) If a Default or Event of Default exists under the Lease, and the Security Trustee has not, in the case of a Default, given notice thereof to the Lessee and demanded the same be remedied, or has not, in the case of an Event of Default, pursued any remedy under the Lease, in either case for a period of one year following its learning of such Default or Event of Default under the Lease, then the Owner-Trustee may, upon prior written notice to the Security Trustee and each Noteholder, prepay the Notes by payment of the unpaid principal amount thereof together with accrued interest thereon to the date of payment, but without premium, plus all other sums then due and payable to the Security Trustee or the Noteholders hereunder or under the Participation Agreement, the Lease or the Notes. The Owner-Trustee may not exercise its prepayment option under this Section 7.3(b)(ii) with respect to less than all of the Notes.

7.4. Acceleration Clause. In case of any sale of the Collateral, or of any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Security Agreement, the principal of the Notes, if not previously due, and the interest accrued thereon, shall at once become and be immediately due and payable; also in the case of any such sale, the purchaser or purchasers, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use the Notes and any claims for interest matured and unpaid thereon, in order that there may be credited as paid on the purchase price the sum apportionable and applicable to the Notes including principal and interest thereof out of the net proceeds of such sale after allowing for the proportion of the total purchase price required to be paid in cash.

7.5. Waiver by Owner-Trustee. To the extent permitted by law, the Owner-Trustee covenants that it will not at any time insist upon or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law now or at any time hereafter in force, nor claim, take, nor insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Collateral or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or

otherwise to redeem the property so sold or any part thereof, and, to the full extent legally permitted, hereby expressly waives for itself and on behalf of each and every person, except decree or judgment creditors of the Owner-Trustee acquiring any interest in or title to the Collateral or any part thereof subsequent to the date of this Security Agreement, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Security Trustee, but will suffer and permit the execution of every such power as though no such power, law or laws had been made or enacted.

7.6. Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Owner-Trustee in and to the property sold, and shall be a perpetual bar, both at law and in equity, against the Owner-Trustee, its successors and assigns, and against any and all Persons claiming the property sold or any part thereof under, by or through the Owner-Trustee, its successors or assigns (subject, however, to the then existing rights, if any of the Lessee under the Lease).

7.7. Application of Proceeds. The purchase money proceeds and/or avails of any sale of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to and applied as follows

(a) First, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all proper expenses, liability and advances, including legal expenses and attorneys' fees, incurred or made hereunder by the Security Trustee, or the holder or holders of the Notes and any compensation due and owing to the Security Trustee and of all taxes, assessments or Liens superior to the Lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) Second, to the payment to the holder or holders of the Notes of the amount then owing or unpaid on the Notes for principal, interest and premium, if any; and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid upon the Notes, then ratably according to the aggregate of such principal and the accrued and unpaid interest and premium, if any, with application on each Note to be made, first, to the unpaid interest thereon, second, to unpaid premium, if any, thereon, and third, to unpaid principal thereof; such application to be made upon presentation of the several Notes, and the notation thereon of the payment,

if partially paid, or the surrender and cancellation thereof, if fully paid; and

(c) Third, to the payment of the surplus, if any, to the Owner-Trustee, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

7.8. Discontinuance of Remedies. Holders of at least 66-2/3% in principal amount of the Notes then outstanding, may upon written notice to the Security Trustee, direct the Trustee to discontinue any enforcement proceedings commenced by the Security Trustee. Without limiting the foregoing, the holders of at least 66-2/3% in principal amount of the Notes then outstanding, may upon written notice to the Security Trustee (which shall in turn notify the Owner-Trustee and the Lessee), rescind an acceleration of the maturity of the Notes, and direct that the payment schedule on the Notes shall be that which existed immediately prior to such acceleration, if (i) all Events of Default, other than the non-payment of any portion of the Notes which has become due and payable solely by reason of the acceleration of the Notes, have been cured or waived, and (ii) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction. In case the Security Trustee shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, then and in every such case the Owner-Trustee, the Security Trustee and the holder or holders of the Notes shall be restored to their former positions and rights hereunder with respect to the property subject to the security interest created under this Security Agreement.

7.9. Cumulative Remedies. No delay or omission of the Security Trustee or of the holder of any Note to exercise any right or power arising from any Default or Event of Default under this Agreement shall exhaust or impair any such right or power or prevent its exercise during the continuance thereof. No waiver by the Security Trustee, or the holder of any Note, of any such Default or Event of Default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent Default or Event of Default, or to impair the rights resulting therefrom except as may be otherwise provided herein. No remedy hereunder is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured under this Security Agreement operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Security Trustee or holder of any of the Notes be required to first look to, enforce or exhaust such other or additional security, collateral or guaranty.

(b) in the absence of bad faith on the part of the Security Trustee, the Security Trustee may rely upon the authenticity of, and the truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon, any resolution, Officer's Certificate, opinion of counsel, Note, request, notice, consent, waiver, order, signature guaranty, notarial seal, stamp, acknowledgment, verification, appraisal, report, stock certificate, or other paper or document believed by the Security Trustee to be genuine and to have been signed, affixed or presented by the proper party or parties; and

(c) in the absence of bad faith on the part of the Security Trustee, whenever the Security Trustee, or any of its agents, representatives, experts or counsel, shall consider it necessary or desirable that any matter be proved or established, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Officer's Certificate; provided, however, that the Security Trustee, or such agent, representative, expert or counsel, may require such further and additional evidence and make such further investigation as it or they may consider reasonable; and

(d) the Security Trustee may consult with counsel and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith and in accordance with such advice or opinion of counsel; and

(e) the Security Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with any direction or request of the required percentage of the holders of the Notes; and

(f) the Security Trustee shall not be liable for any error of judgment made in good faith by an officer of the Security Trustee unless it shall be proved that the Security Trustee was negligent in ascertaining the pertinent facts; and

(g) the Security Trustee shall not be deemed to have knowledge of any Default or Event of Default unless and until an officer of the Corporate Trust Department of the Security Trustee who customarily handles corporate trusts shall have actual knowledge thereof or the Security Trustee shall have received written advice thereof from the holder of any Note, the Owner-Trustee or the Lessee; provided, however, the Security Trustee shall

SECTION 8. THE SECURITY TRUSTEE.

The Security Trustee accepts the trusts hereunder and agrees to perform the same, but only upon the terms and conditions hereof, including the following, to all of which the Owner-Trustee and the respective holders of the Notes at any time outstanding by their acceptance thereof agree.

8.1. Duties of Security Trustee. The Security Trustee undertakes (i) except while an Event of Default actually known to the Security Trustee shall have occurred and be continuing, to perform such duties and only such duties as are specifically set forth in this Security Agreement, and (ii) while an Event of Default actually known to the Security Trustee shall have occurred and be continuing, to exercise such of the rights and powers as are vested in it by this Security Agreement and to use the same degree of care and skill in their exercise as an ordinary prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Security Trustee upon receipt of instruments furnished to the Security Trustee pursuant to the provisions of this Security Agreement, shall examine the same to determine whether or not such instruments conform to the requirements of this Security Agreement.

The Security Trustee shall promptly distribute amounts received hereunder to the Noteholders in the manner contemplated by this Security Agreement, and shall promptly distribute to the Noteholders all financial statements, insurance certificates, and reports received by it as assignee of the Lease and trustee under this Security Agreement.

8.2. Security Trustee's Liability. No provision of this Security Agreement shall be construed to relieve the Security Trustee from liability for its own negligent action, negligent failure to act, or its own willful misconduct, except that:

(a) unless an Event of Default actually known to the Security Trustee shall have occurred and be continuing, the Security Trustee shall not be liable except for the performance of such duties as are specifically set forth in this Security Agreement and no implied covenants or obligations shall be read into this Security Agreement against the Security Trustee but the duties and obligations of the Security Trustee shall be determined solely by the express provisions of this Security Agreement; and

be charged with knowledge of receipt (or lack thereof) of regular and periodic payments to be received by it hereunder; and

(h) whether or not an Event of Default shall have occurred, the Security Trustee shall not be under any obligation to take any action under this Security Agreement which may tend to involve it in any expense or liability, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it by the security afforded to it by the terms of this Security Agreement, unless and until it is requested in writing so to do by one or more holders of Notes outstanding hereunder and furnished, from time to time as it may require, with reasonable security and indemnity; and

(i) whether or not an Event of Default shall have occurred, whenever it is provided in this Security Agreement that the Security Trustee consent to any act or omission by any Person or that the Security Trustee exercise its discretion in any manner, the Security Trustee shall seek the written acquiescence of all of the Noteholders and, unless written evidence of the acquiescence of the holders a majority in principal amount of the Notes then outstanding has been received by the Security Trustee, it shall be fully justified in refusing so to consent or so to exercise its discretion; provided, however, that holders of a majority in principal amount of the Notes from time to time outstanding shall have the right, upon furnishing to the Security Trustee such indemnification as the Security Trustee shall reasonably request, by an instrument in writing delivered to the Security Trustee, to determine which of the remedies herein set forth shall be adopted and to direct the time, method and place of conducting all proceedings to be taken under the provisions of this Security Agreement for the enforcement thereof or of the Notes; provided, however, that the Security Trustee shall have the right to decline to follow any such direction if the Security Trustee shall be advised by counsel that the action or proceedings so directed may not lawfully be taken or would be unjustly prejudicial to holders of Notes not parties to such direction or would be contrary to the terms of the Lease.

8.3. No Responsibility of Security Trustee for Recitals. The recitals and statements contained herein and in the Notes (except for the Security Trustee's certificate of authentication endorsed on the Notes) shall be taken as the recitals and statements of the Owner-Trustee, and the Security Trustee assumes no responsibility for the correctness of the same, nor shall the Security Trustee have any responsibility for or any

liability with respect to any disclosure, warranty, representation or concealment or failure to disclose in connection with the offering, solicitation, sale or distribution of the Notes by the Owner-Trustee or by any other Person.

The Security Trustee makes no representation except as specifically set forth in Section 3.3 of the Participation Agreement and makes no representation as to the validity or sufficiency of this Security Agreement, or of the Notes secured hereby, the security hereby or thereby afforded, the title of the Owner-Trustee to the Collateral or the descriptions thereof, or the filing or recording or registering of this Security Agreement or any other document.

The Security Trustee shall not be concerned with or accountable to any Person for the use or application of any deposited moneys which shall be released or withdrawn in accordance with the provisions of this Security Agreement or of any property or Securities or the proceeds thereof which shall be released from the lien hereof in accordance with the provisions of this Security Agreement.

8.4. Certain Limitations on Security Trustee's Rights to Compensation and Indemnification. Except to the extent otherwise expressly provided in the Operative Agreements, the Security Trustee shall have no right against the holder of any Note for the payment of compensation for its services hereunder or any expenses or disbursement incurred in connection with the exercise and performance of its powers and duties hereunder or any indemnification against liabilities which it may incur in the exercise and performance of such powers and duties but on the contrary, shall look solely to the Trustor under Section 2.6 of the Participation Agreement and the Lessee under Section 2.6 of the Participation Agreement and Section 6 of the Lease for such payment and indemnification, and it shall have no lien on or security interest in the Collateral as security for such compensation, expenses, disbursements and indemnification except to the extent provided for in Section 7.7.

8.5. Status of Moneys Received. (a) All moneys received by the Security Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but (except as herein otherwise provided with respect to the funds referred to in paragraph (b) of this Section) need not be segregated in any manner from any other moneys, except to the extent required by law, and may be deposited by the Security Trustee under such general conditions as may be prescribed by law in the Security Trustee's general banking department, and the Security Trustee shall be under no liability for interest on any moneys received by it hereunder. The Security Trustee and any affiliated corporation may not become the owner of any Note secured hereby. The Security Trustee and any affiliated

corporation may be interested in any other financial transaction with the Owner-Trustee or any affiliated corporation, or the Security Trustee may act as depository or otherwise in respect to other Securities of the Owner-Trustee or any affiliated corporation, all with the same rights which it would have if not the Security Trustee.

(b) The Security Trustee may invest and reinvest any funds from time to time held by the Security Trustee in direct obligations of the United States or obligations for which the full faith and credit of the United States is pledged to provide for the payment of principal and interest, maturing not more than ninety (90) days from the date of such investment and with respect to the funds described in Section 8.5(c), as provided therein. Upon any sale or payment of any investment, the proceeds thereof, plus any interest received by the Security Trustee thereon shall be held by the Security Trustee as part of the fund from which such investment was made for application as a part of such fund.

(c) Funds Held by Security Trustee Payable to Owner-Trustee. In the event (i) any balance of amounts otherwise payable to the Owner-Trustee pursuant hereto shall be held by the Security Trustee due to the occurrence and continuance of any Default which has not become an Event of Default, or (ii) any such balances shall be withheld from distribution to the Owner-Trustee due to the occurrence and continuance of an Event of Default, but the Security Trustee shall not have proceeded to exercise any of its remedies pursuant to Section 7 other than the retention of such balances, then in either such case such balances (including any investment income thereon) shall be held by the Security Trustee as part of the Collateral and invested as hereinafter set forth in this Section 8.5(c) provided until the earliest to occur of (i) as to any such sum so withheld, the 360th day following the commencement of such withholding, (ii) the date on which such event shall have been cured or waived, or (iii) the date on which the Security Trustee shall have proceeded to exercise any remedy or remedies hereunder or pursuant to the Lease. Upon the occurrence of an event referred to in clause (i) or (ii) above, such sum so withheld plus earnings thereon shall be distributed to the Owner-Trustee. Upon the occurrence of any event referred to in clause (iii) above, such sum so withheld (including any investment income thereon) shall be held as part of the Collateral and applied in the manner provided in Section 7. Funds held by the Security Trustee pursuant to the first sentence of this Section 8.5(c) plus earnings thereon shall be invested by the Security Trustee as directed from time to time in writing by the Owner-Trustee and at the expense and risk of the Owner-Trustee but only in any of the following securities:

(1) direct obligations of the United States of America, or

(2) obligations fully guaranteed by the United States of America, or

(3) certificates of deposit issued by, or bankers acceptances of, or time deposits or a deposit account with, any bank, trust company or national banking association incorporated and doing business under the laws of the United States of America or one of the States thereof, having a combined capital and surplus of at least \$300,000,000 and a long-term debt rating as determined by any nationally recognized rating service, of A or better, or

(4) commercial paper maturing no more than 270 days from the date of issuance thereof of any of the 10 largest finance companies incorporated in the United States, as determined by reference to the then most recently published Moody's Commercial Paper Record, which directly issue their own commercial paper and which are doing business under the laws of the United States of America or one of the States thereof and in each case having a rating assigned to such commercial paper by Standard & Poor's Corporation or Moody's Investors Service, Inc. (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States of America) equal to the highest rating assigned by such organization.

8.6. Resignation of Security Trustee. The Security Trustee may resign and be discharged from the trusts created hereby by delivering notice thereof pursuant to Section 11.3 to the Owner-Trustee, the Trustor and all holders of the Notes at the time outstanding, specifying a date (not earlier than sixty (60) days after the date of such notice) when such resignation shall take effect.

Such resignation shall take effect on the day specified in such notice, unless previously a successor Security Trustee shall have been appointed as provided in Sections 8.8 and 8.9 in which event such resignation shall take effect immediately upon the appointment of such successor Security Trustee; provided, however, that no such resignation shall be effective hereunder unless and until a successor Security Trustee shall have been appointed and shall have accepted such appointment as provided in Sections 8.8 and 8.9.

8.7. Removal of Security Trustee. The Security Trustee may be removed at any time, for or without cause, by an instrument or instruments in writing executed by the holders of a majority in aggregate principal amount of the Notes (other than the Security Trustee) at the time outstanding and delivered to the Security

Trustee with a copy to the Owner-Trustee and to the Lessee, specifying the removal and the date when it shall take effect; provided, however, that no such removal shall be effective hereunder unless and until a successor trustee shall have been appointed and shall have accepted such appointment as provided in Sections 8.8 and 8.9.

8.8. Appointment of Successor Security Trustee. In case at any time the Security Trustee shall resign or be removed or become incapable of acting, a successor Security Trustee may be appointed by the holders of a majority in aggregate principal amount of the Notes (other than the Security Trustee) at the time outstanding, by an instrument or instruments in writing executed by such Noteholders and filed with such successor Security Trustee, the Owner-Trustee and the Lessee.

Until a successor Security Trustee shall be so appointed by the Noteholders, the Owner-Trustee shall appoint a successor Security Trustee to fill such vacancy, by an instrument in writing executed by the Owner-Trustee and delivered to the successor Security Trustee. If all or substantially all of the Collateral shall be in the possession of one or more receivers, trustees, custodians, liquidators or assignees for the benefit of creditors, then such receivers, trustees, custodians, liquidators or assignees may, by an instrument in writing delivered to the successor Security Trustee, appoint a successor Security Trustee. Promptly after any such appointment, the Owner-Trustee, or any such receivers, trustees, custodians, liquidators or assignees, as the case may be, shall give notice thereof pursuant to Section 11.3 to each holder of the Notes at the time outstanding.

Any successor Security Trustee so appointed by the Owner-Trustee, or such receivers, trustees, custodians, liquidators or assignees, shall immediately and without further act be superseded by a successor Security Trustee appointed by the holders of a majority in aggregate principal amount of the Notes (other than the Security Trustee) then outstanding.

If a successor Security Trustee shall not be appointed pursuant to this Section within sixty (60) days after the resignation or removal of the retiring Security Trustee, the holder of any Note (other than the retiring Security Trustee) or such retiring Security Trustee (unless the retiring Security Trustee is being removed) may apply to any court of competent jurisdiction to appoint a successor Security Trustee, and such court may thereupon, after such notice, if any, as it may consider proper, appoint a successor Security Trustee.

8.9. Succession of Successor Security Trustee. Any successor Security Trustee appointed hereunder shall execute, acknowledge and deliver to the Owner-Trustee and the predecessor

Security Trustee an instrument accepting such appointment, and thereupon such successor Security Trustee, without any further act, deed, conveyance or transfer, shall become vested with the title to the Collateral, and with all the rights, powers, trusts, duties and obligations of the predecessor Security Trustee in the trust hereunder, with like effect as if originally named as Security Trustee herein.

Upon the request of any such successor Security Trustee, however, the Owner-Trustee and the predecessor Security Trustee shall execute and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Security Trustee its interest in the Collateral and all such rights, powers, trusts, duties and obligations of the predecessor Security Trustee hereunder, with like effect as if originally named as Security Trustee herein, and the predecessor Security Trustee shall also assign and deliver to the successor Security Trustee any property subject to the lien of this Security Agreement which may then be in its possession.

8.10. Eligibility of Security Trustee. The Security Trustee shall be a state or national bank or trust company in good standing, organized under the laws of the United States of America or of any State and having a capital, surplus and undivided profits aggregating at least \$100,000,000, if there be such a bank or trust company willing and able to accept such trust upon reasonable and customary terms.

In case the Security Trustee shall cease to be eligible in accordance with the provisions of this Section, the Security Trustee shall resign immediately in the manner and with the effect specified in Section 8.6.

8.11. Successor Security Trustee by Merger. Any corporation into which the Security Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Security Trustee shall be a party, or any state or national bank or trust company in any manner succeeding to the corporate trust business of the Security Trustee as a whole or substantially as a whole, if eligible as provided in Section 8.10, shall be the successor of the Security Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything to the contrary contained herein notwithstanding.

8.12. Co-Trustees. At any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Collateral may at the time be located, the Owner-Trustee and the Security Trustee jointly shall have power and shall execute and deliver all instruments, to appoint one or more Persons approved by the Security Trustee, to act as co-trustee, or

co-trustees, jointly with the Security Trustee, or separate trustee or separate trustees, of all or any part of the Collateral, and to vest in such Person or Persons in such capacity, such interest in the Collateral or any part thereof, and such rights, powers, duties, trusts or obligations as the Owner-Trustee and the Security Trustee may consider necessary or desirable. If the Owner-Trustee shall not have joined in such appointment within fifteen (15) days after the receipt by it of a request so to do, or in case an Event of Default shall have occurred and be continuing, the Security Trustee alone shall have power to make such appointment.

SECTION 9. LIMITATIONS OF LIABILITY.

Anything in this Security Agreement to the contrary notwithstanding, neither the Security Trustee nor the holder of any Note nor the successors or assigns of any of said Persons, shall have any claim, remedy or right to proceed against Wilmington Trust Company in its individual corporate capacity or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of Wilmington Trust Company, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any penalty or assessment or otherwise, for the payment of any deficiency or any other sum owing on account of the indebtedness evidenced by the Notes or for the payment of any liability resulting from the breach of any representation, agreement or warranty of any nature whatsoever in this Security Agreement, from any source other than the Collateral, including the Rent, other than Excepted Rights in Collateral. The Security Trustee by the execution of this Security Agreement and the holders of the Notes by acceptance thereof, waive and release any personal liability of Wilmington Trust Company in its individual corporate capacity and any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of Wilmington Trust Company for and on account of such indebtedness or such liability, and the Security Trustee and the holders of the Notes agree to look solely to the Collateral, including the Rent, other than Excepted Rights in Collateral, for the payment of said indebtedness or the satisfaction of such liability; provided, however, nothing herein contained shall limit the liability of the Owner-Trustee for the inaccuracy of representations made by it in its individual capacity in the Participation Agreement or limit, restrict or impair the rights of the holders of the Notes or the Security Trustee to accelerate the maturity of the Notes upon an Event of Default under this Security Agreement; to bring suit and obtain a judgment against the Owner-Trustee on the Notes or to exercise all rights and remedies provided under this Security Agreement or otherwise realize upon the Collateral.

SECTION 10. SUPPLEMENTS; WAIVERS.

10.1. Supplemental Security Agreements without Noteholders' Consent. The Owner-Trustee and the Security Trustee from time to time and at any time, subject to the restrictions in this Security Agreement contained, may, without the Noteholders' consent, enter into an agreement or agreements supplemental hereto, which thereafter shall form a part hereof, for any one or more or all of the following purposes:

(a) to add to the covenants and agreements to be observed by, and to surrender any right or power reserved to or conferred upon, the Owner-Trustee;

(b) to subject to the Lien of this Security Agreement additional property hereafter acquired by the Owner-Trustee and intended to be subjected to the Lien of this Security Agreement and to correct and amplify the description of the Collateral;

(c) to permit the qualification of this Security Agreement under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, except that nothing herein contained shall permit or authorize the inclusion of the provisions referred to in Section 316(a)(2) of said Trust Indenture Act of 1939 or any corresponding provision in any similar federal statute hereafter in effect;

(d) to reflect a revised payment schedule on the Notes pursuant to a re-amortization of the Notes permitted by and complying with the terms of Section 2.7 of the Participation Agreement; and

(e) for any other purpose not inconsistent with the terms of this Security Agreement or to cure any ambiguity or cure, correct or supplement any defect or inconsistent provisions of this Security Agreement or any supplement and the covenants to perform all requirements of any such supplemental agreement.

No restriction or obligation imposed upon the Owner-Trustee may, except as otherwise provided in this Security Agreement, be waived or modified by any such supplemental agreement.

10.2. Supplements to Lease without Noteholders' Consent. The Security Trustee from time to time and at any time, subject to the restrictions in this Security Agreement contained, may, without the Noteholders' consent, consent to any amendment or supplement to the Lease for any one of the following purposes:

(a) to add to the covenants and agreements to be observed by, and to surrender any right or power reserved to or conferred upon, the Lessee; and

(b) to adjust the Fixed Rent, Casualty Values and Termination Values payable under the Lease pursuant to Section 2.3 thereof and subject to all of the conditions set forth in said Section 2.3; provided, however, that on or before the effective date of any amendment of or supplement to the Lease pursuant to the provisions of this paragraph (b), the Security Trustee shall have received an Officer's Certificate of the Lessee addressed to the holders of the Notes and the Security Trustee, to the effect that, after giving effect to such supplement, the amount of Fixed Rent payable on each Rent Payment Date under the Lease equals or exceeds the amount payable on such date for principal and accrued interest on all the Notes, and the amounts of Casualty Value and Termination Value payable on any date with respect to any Item under the Lease equals or exceeds the Loan Value of such Item after giving effect to the payment of Fixed Rent on such date, which Certificate shall set forth sufficient detailed information to demonstrate the matters covered in this proviso.

No restriction or obligation imposed upon the Lessee may, except as otherwise provided in this Security Agreement, be waived or modified by any such supplement to the Lease.

10.3. Waivers and Consents by Noteholders; Supplemental Security Agreements with Noteholders' Consent. Upon the waiver or consent of the holders of at least 66-2/3% in aggregate principal amount of the Notes then outstanding (x) the Owner-Trustee may take any action prohibited, or omit the taking of any action required, by any of the provisions of this Security Agreement or any agreement supplemental hereto, or (y) the Owner-Trustee and the Security Trustee may enter into an agreement or agreements supplemental hereto for the purpose of adding, changing or eliminating any provisions of this Security Agreement or of any agreement supplemental hereto or modifying in any manner the rights and obligations of the holders of the Notes and the Owner-Trustee; provided, however, that no such waiver or supplemental agreement shall (i) impair or affect the right of any holder to receive payments or prepayments of the principal of and payments of the interest on its Note, as therein and herein provided, without the consent of such holder; (ii) permit the creation of any Lien or security interest with respect to any of the Collateral, without the consent of the holders of all the Notes at the time outstanding; (iii) effect the deprivation of the holder of any Note of the benefit of the Lien and security interest of this Security Agreement upon all or any part of the Collateral without the consent of such holder; (iv) reduce the aforesaid

percentage of the aggregate principal amount of Notes, the holders of which are required to consent to any such waiver or supplemental agreement pursuant to this Section, without the consent of the holders of all of the Notes at the time outstanding; (v) modify the rights, duties or immunities of the Security Trustee, without the consent of the Security Trustee and of the holders of all of the Notes at the time outstanding; or (vi) reduce without the consent of all holders of Notes the premium provided for in the last paragraph of Section 7.2. The Owner-Trustee shall not pay or cause to be paid to any Noteholder any remuneration for or in connection with such Noteholder's consent to any waiver or consent unless each Noteholder is paid remuneration in a ratable amount (based on the proportion which the principal balance of such Noteholder's Note bears to the principal balance of all of the Notes).

10.4. Notice of Supplemental Security Agreements.

Promptly after the execution by the Owner-Trustee and the Security Trustee of any waiver, consent or supplemental agreement pursuant to the provisions of this Section 10.1, 10.2 or 10.3, the Security Trustee shall give written notice, setting forth in general terms the substance of such waiver, consent or supplemental agreement, together with a conformed copy thereof, mailed, first-class, postage prepaid, to each holder of the Notes. Any failure of the Security Trustee to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such waiver, consent or supplemental agreement.

10.5. Opinion of Counsel Conclusive as to Supplemental Security Agreements. The Security Trustee is hereby authorized to join with the Owner-Trustee in the execution of any such supplemental agreement authorized or permitted by the terms of this Security Agreement and to make the further agreements and stipulations which may be therein contained, and the Security Trustee may receive an opinion of counsel as conclusive evidence that any supplemental agreement executed pursuant to the provisions of this Section 10 complies with the requirements of this Section 10.

SECTION 11. MISCELLANEOUS.

11.1. Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Security Agreement contained by or on behalf of the Owner-Trustee or by or on behalf of the Security Trustee, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

11.2. Severability. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11.3. Communications. All communications provided for herein shall be in writing or by a telecommunications device capable of creating a written record, and any such notice shall become effective (a) upon personal delivery thereof, including, without limitation, by overnight mail and courier service, (b) five (5) days after the date on which it shall have been mailed by United States mail, certified or registered, postage prepaid, return receipt requested, or, (c) in the case of notice by such a telecommunications device, when properly transmitted, in each case addressed to each party at the following addresses:

If to the Owner-Trustee:

Wilmington Trust Company, as Trustee
under Soo Line Trust No. 89-1
Rodney Square North
Wilmington, Delaware 19890
Attention Corporate Trust
Administration
Fax No.: (302) 651-8464
Confirmation No.: (302)
651-8355

If to the Trustor:

Columbia Willamette Leasing, Inc.
c/o Portland General Corporation
One World Trade Center
121 S.W. Salmon Street
Attention: Vice President and General Manager
Fax No.: (503) 464-2626

with a copy to:

GATX Leasing Corporation
Four Embarcadero Center
San Francisco, California 94111
Attention: Contracts Administration
Department
Fax No. (415) 955-3415 or 16

If to the Security Trustee:

The Connecticut Bank and Trust Company,
National Association
One Constitution Plaza
Hartford, Connecticut 06115
Attention Corporate Trust Department
Fax No.: (203)244-4999

If to the holders of Notes:

At their addresses for notices
set forth in the Register

or to any such party at such other address as such party may designate by notice duly given in accordance with this Section to the other parties.

11.4. Release. The Security Trustee shall release this Security Agreement and the security interest granted hereby by proper instrument or instruments upon presentation of satisfactory evidence that all indebtedness secured hereby has been fully paid or discharged.

11.5. Governing Law. This Security Agreement and the Notes shall be construed in accordance with and governed by the internal laws and decisions (as opposed to conflicts of law provisions) of the State of Illinois; provided, however, that the Security Trustee shall be entitled to all the rights conferred by any applicable federal statute, rule or regulation.

11.6. Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Security Agreement.

11.7. Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the Owner-Trustee and the Security Trustee have caused this Security Agreement to be executed, as of the day and year first above written.

WILMINGTON TRUST COMPANY, not
individually but solely as
Owner-Trustee under Soo line
Trust No. 89-1

AS OWNER-TRUSTEE

By: 

Its: _____

THE CONNECTICUT BANK AND TRUST
COMPANY, NATIONAL ASSOCIATION

By: 

Its: _____

Mason M. Lemont

~~Vice President~~

AS SECURITY TRUSTEE

SCHEDULE 1
(To Equipment Trust and Security Agreement)

Soo Lines
Loan Amortization

December 28, 1989

Dollars

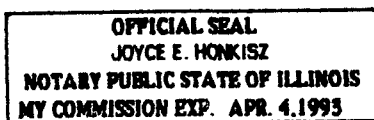
Date	Takedown	Principal	Interest	Debt Service	Loan Balance
12/29/89	5,401,714.70	0.00	0.00	0.00	5,401,714.70
01/05/90	4,019,880.76	0.00	0.00	0.00	9,421,595.46
06/28/90	0.00	0.00	446,062.92	446,062.92	9,421,595.46
12/28/90	0.00	0.00	455,063.06	455,063.06	9,421,595.46
06/28/91	0.00	273,297.34	455,063.06	728,360.40	9,148,298.12
12/28/91	0.00	0.00	441,862.80	441,862.80	9,148,298.12
06/28/92	0.00	299,697.86	441,862.80	741,560.66	8,848,600.26
12/28/92	0.00	0.00	427,387.39	427,387.39	8,848,600.26
06/28/93	0.00	328,648.68	427,387.39	756,036.07	8,519,951.58
12/28/93	0.00	0.00	411,513.66	411,513.66	8,519,951.58
06/28/94	0.00	360,396.14	411,513.66	771,909.80	8,159,555.44
12/28/94	0.00	0.00	394,106.53	394,106.53	8,159,555.44
06/28/95	0.00	395,210.40	394,106.53	789,316.93	7,764,345.04
12/28/95	0.00	0.00	375,017.87	375,017.87	7,764,345.04
06/28/96	0.00	433,387.72	375,017.87	808,405.59	7,330,957.32
12/28/96	0.00	0.00	354,085.24	354,085.24	7,330,957.32
06/28/97	0.00	475,252.98	354,085.24	829,338.22	6,855,704.34
12/28/97	0.00	0.00	331,130.52	331,130.52	6,855,704.34
06/28/98	0.00	709,195.48	331,130.52	1,040,326.00	6,146,508.86
12/28/98	0.00	0.00	296,876.38	296,876.38	6,146,508.86
06/28/99	0.00	848,920.60	296,876.38	1,145,796.98	5,297,588.26
12/28/99	0.00	0.00	255,873.51	255,873.51	5,297,588.26
06/28/00	0.00	934,659.43	255,873.51	1,190,532.94	4,362,928.83
12/28/00	0.00	0.00	210,729.46	210,729.46	4,362,928.83
06/28/01	0.00	1,024,947.53	210,729.46	1,235,676.99	3,337,981.30
12/28/01	0.00	0.00	161,224.50	161,224.50	3,337,981.30
06/28/02	0.00	1,123,957.45	161,224.50	1,285,181.95	2,214,023.85
12/28/02	0.00	0.00	106,937.35	106,937.35	2,214,023.85
06/28/03	0.00	1,232,531.75	106,937.35	1,339,469.10	981,492.10
12/28/03	0.00	12,615.94	47,406.07	60,022.01	968,876.16
06/28/04	0.00	968,876.16	46,796.72	1,015,672.88	0.00
	9,421,595.46	9,421,595.46	8,983,882.25	18,405,477.71	

Debt Rate: 9.66
Average Debt Life: 9.87
Duration: 6.29

Illinois
STATE OF ~~DELAWARE~~)
Cook) SS
COUNTY OF ~~NEW CASTLE~~)

On this 28th day of December, 1989, before me personally appeared William B. Souda III, to me personally known, who being by me duly sworn, says that he is a Vice-President of Wilmington Trust Company, that said instrument was signed on behalf of said corporation in its capacity as Owner-Trustee under the Soo Line Trust No. 89-1 by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(SEAL)

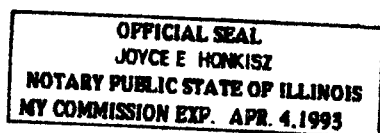


Joyce E. Honkisz
Notary Public

My commission expires April 4, 1993

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 28th day of December, 1989, before me personally appeared Mason M. Lemont, to me personally known, who being by me duly sworn, says that he is a Vice President of The Connecticut Bank and Trust Company, National Association that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Joyce E. Honkisz
Notary Public

(SEAL)

My commission expires: April 4, 1993

DESCRIPTION OF ITEMS OF EQUIPMENT

<u>Identifying Marks and Numbers</u>	<u>Number of Cars</u>	<u>Purchase Price Each</u>	<u>Total Purchase Price</u>
OPEN TOP HOPPER CARS:			
SOO			
61963-62127	165	\$40,014.67	\$6,602,420.55
62129-62130	2	\$40,014.67	80,029.34
62150	1	\$40,014.67	\$40,014.67
62152-62153	2	\$40,014.67	\$80,029.34
62186	1	\$40,014.67	\$40,014.67
62283	1	\$40,014.67	\$40,014.67
TOTAL OPEN TOP HOPPER CARS	172		\$6,882,523.24

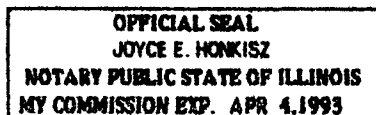
SCHEDULE I
(To Lease Supplement No. 1)

STATE OF Illinois)
COUNTY OF Cook) SS:

On, this 28th day of, December, 1989, before me personally appeared William B. Souda III, to me personally known, who being duly sworn, says that he is a (or) Vice-President of WILMINGTON TRUST COMPANY, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Joyce E. Honkisz
Notary Public

[NOTARIAL SEAL]



My Commission Expires

April 4, 1993

TO HAVE AND TO HOLD the aforesaid property unto the Security Trustee, its successors and assigns forever, upon the terms and conditions set forth in the Security Agreement for the equal and proportionate benefit, security and protection of all present and future holders of the Notes.

This Supplement shall be construed in connection with and as part of the Security Agreement and all terms, conditions and covenants contained in the Security Agreement, except as herein modified, shall be and remain in full force and effect.

Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Supplement may refer to the "Equipment Trust and Security Agreement dated as of December 15, 1989" or the "Security Agreement" without making specific reference to this Supplement, but nevertheless all such references shall be deemed to include this Supplement unless the context shall otherwise require.

This Supplement may be executed and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Supplement.

This Supplement shall be construed in accordance with and governed by the laws of the State of Illinois.

IN WITNESS WHEREOF, the Owner-Trustee has caused this Supplement to be executed, and The Connecticut Bank and Trust Company, National Association in evidence of its acceptance of the trusts hereby created, has caused this Supplement to be executed on its behalf by one of its duly authorized officers.

WILMINGTON TRUST COMPANY, not
individually but solely as
Trustee under Soo Line Trust
No. 89-1

By: _____
Its: _____

AS OWNER-TRUSTEE

THE CONNECTICUT BANK AND TRUST
COMPANY, NATIONAL ASSOCIATION

By: _____
Its: _____

AS SECURITY TRUSTEE

EQUIPMENT TRUST AND SECURITY AGREEMENT
SUPPLEMENT NO. _____

EQUIPMENT TRUST AND SECURITY AGREEMENT SUPPLEMENT
NO. _____ (this "Supplement") dated _____, 19____, between
WILMINGTON TRUST COMPANY, a Delaware banking corporation, not
individually but solely as Trustee (the "Owner-Trustee") under Soo
Line Trust No. 89-1, and THE CONNECTICUT BANK AND TRUST COMPANY,
NATIONAL ASSOCIATION, a national banking association (the
"Security Trustee").

W I T N E S S E T H:

The Equipment Trust and Security Agreement dated as of
December 15, 1989 (herein called the "Security Agreement") from
the Owner-Trustee to the Security Trustee, provides for the
execution and delivery of a Supplement thereto substantially in
the form hereof, which shall particularly describe the Items of
Equipment (such term and other defined terms in the Security
Agreement being herein used with the same meanings) being settled
for on the date hereof and shall specifically grant a security
interest in such Items of Equipment;

The Owner-Trustee in consideration of the premises and
other good and valuable consideration, receipt whereof is hereby
acknowledged, and intending to be legally bound, and in order to
secure the equal and pro rata payment of both the principal of and
interest and premium, if any, upon all Notes at any time
outstanding under the Security Agreement according to their tenor
and effect, and to secure the payment of all other Secured
Indebtedness and the performance and observance of all the
covenants and conditions contained in the Notes, the Security
Agreement and the Participation Agreement, does hereby convey,
warrant, mortgage, assign, pledge and grant unto the Security
Trustee, its successors in trust and assigns, forever, for the
ratable use and benefit of the holders of the Notes, a security
interest in, all right, title and interest of the Owner-Trustee in
the Items of Equipment described in Schedule 1 attached hereto, as
the same is now and will hereafter be constituted, whether now
owned by the Owner-Trustee or hereafter acquired, leased or to be
leased under the Lease, together with all accessories, equipment,
parts and appurtenances appertaining or attached to such Items of
Equipment, whether now owned or hereafter acquired, and all
substitutions, renewals or replacements of and additions,
improvements, accessions and accumulations to such Items of
Equipment together with all the rents, issues, income, profits and
avails thereof, subject, however, to the interest of the Lessee
under the Lease.

AUTHENTICATION CERTIFICATE

This Note is one of the Notes described in the within-mentioned Security Agreement.

THE CONNECTICUT BANK AND TRUST
COMPANY, NATIONAL ASSOCIATION,
as Security Trustee

By: _____
Its: _____

denominations. By its acceptance hereof, the holder of this Note agrees that if such holder shall sell or transfer this Note such holder will notify the Owner-Trustee and the Security Trustee in writing of the name and address of the transferee, and such holder will, prior to the delivery of this Note, make a notation on this Note of the date to which interest has been paid hereon and the amount of any payment made on account of the principal hereof, and such holder will hold the Owner-Trustee and the Security Trustee harmless from any liability arising out of the failure of such holder to comply with the provisions of this sentence. Until so notified, the Owner-Trustee and the Security Trustee may deem and treat the holder hereof last so notified to them to be such, as the absolute owner and holder hereof (whether or not this Note shall be overdue) for the purpose of receiving payment and for all other purposes.]**

Presentment, protest and notice of nonpayment and protest are hereby waived by the Owner-Trustee.

This Note and the Security Agreement are governed by and construed in accordance with the internal laws and decisions (as opposed to conflicts of law provisions) of the State of Illinois.

It is expressly understood and agreed by and between the Owner-Trustee, the Trustor, the holder of this Note and the Security Trustee and their respective successors and assigns. that this Note is executed by Wilmington Trust Company, not individually or personally but solely as "Owner-Trustee" under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Owner-Trustee; and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability of Wilmington Trust Company, or of the Trustor, individually or personally, for or on account of any express or implied representation, warranty, covenant or agreement made herein (other than those expressly made in the Owner-Trustee's individual capacity in the Participation Agreement and in the Security Agreement), all such liability, if any, being expressly waived by the holder of this Note and by the Security Trustee and by each and every person now or hereafter claiming by, through or under the holder of this Note or the Security Trustee; and that so far as Wilmington Trust Company or the Trustor, individually or personally, are concerned, the holder of this Note and the Security Trustee and any person claiming by, through or under the holder of this Note or the Security Trustee, except as hereinafter provided, shall look solely to the Collateral for payment of the indebtedness evidenced by this Note or of any liability resulting from or arising out of any breach of any representation, warranty or covenant (other than those expressly made in the Owner-Trustee's individual capacity in the Participation Agreement and in the Security Agreement) made by the Owner-Trustee herein.

dated as of December 15, 1989 (the "Security Agreement") from the Owner-Trustee to The Connecticut Bank and Trust Company, National Association, as security trustee (the "Security Trustee"). Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the Security Agreement. Reference is made to the Security Agreement and all supplements and amendments thereto executed pursuant to the Security Agreement for a description of the Collateral, and the nature and extent of the security and rights of the Security Trustee, the holder or holders of the Notes and of the Trustee in respect thereof.

Both the principal hereof and interest hereon are payable in coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts. If the date on which any payment on this Note is to be made is not a Business Day, the payment otherwise payable on such date shall be payable on the immediately preceding Business Day. For purposes of this Note, the term "Business Day" means calendar days, excluding Saturdays, Sundays and holidays on which banks in the States of Minnesota, Oregon, Connecticut or Delaware are authorized or required to close.

This Note may not be prepaid by the Owner-Trustee except upon the terms and subject to the conditions set forth in the Security Agreement. The terms and provisions of the Security Agreement and the rights and obligations of the Security Trustee and the rights of the holders of the Notes may be changed and modified to the extent permitted by and as provided in the Security Agreement.

[On and subject to the conditions contained in the Security Agreement, this Note is transferable by the registered holder hereof in person or by its duly authorized attorney on the Register (as defined in the Security Agreement) to be kept for the purpose at the principal corporate trust office of the Security Trustee. On and subject to the conditions contained in the Security Agreement, this Note is exchangeable for Notes of other denominations. The Owner-Trustee and the Security Trustee may deem and treat the person in whose name a Note is registered on said Register as the absolute owner and holder hereof (whether or not this Note shall be overdue) for the purpose of receiving payment and for all other purposes, and neither the Owner-Trustee nor the Security Trustee shall be affected by any notice to the contrary.]*

[On and subject to the conditions contained in the Security Agreement, this Note is exchangeable for Notes of other

*Language for Registered Notes.

**Language for Order Notes.

IN WITNESS WHEREOF, the Owner-Trustee has caused this Note to be duly executed.

WILMINGTON TRUST COMPANY, not
individually but solely as
Trustee under Soo Line Trust
No. 89-1

By: _____
Its: _____

NOTICE

THIS NOTE HAS NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES LAWS OF ANY STATE. THIS NOTE MAY NOT BE OFFERED OR SOLD UNLESS IT IS REGISTERED UNDER THE APPLICABLE SECURITIES LAWS OR UNLESS AS EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

Inquiries Should be Made to the Security Trustee if Certification as to Balance Due Hereunder is Required.

WILMINGTON TRUST COMPANY

Not Individually but solely as Trustee under Soo Line
Trust No. 89-1

9.66% Secured Note

NO. [R-*/0-**]

\$ _____

_____, 19__

FOR VALUE RECEIVED, the undersigned, WILMINGTON TRUST COMPANY, not individually but solely as trustee (the "Owner-Trustee") under that certain Trust Agreement dated as of December 15, 1989, sometimes identified as Soo Line Trust No. 89-1 (the "Trust Agreement") promises to pay to

[Name of Lender]

[or registered assigns,*/or order,**]
the principal sum of

and to pay interest accrued and unpaid from the date hereof until maturity (computed on the basis of a 360-day year of 12 consecutive 30 day months for the actual number of days elapsed) on the unpaid principal balance hereof, in semi-annual installments, commencing on June 28, 1990 and continuing on each December 28 and June 28 thereafter to and including June 28, 2005. Interest accrued and payable on this Note shall be computed at the rate of 9.66% per annum; provided, however, that any amount of principal hereunder not paid when due (whether at stated maturity, by acceleration or otherwise), and to the extent permitted by law, overdue interest, shall bear interest from the due date until such amount is paid in full at the rate of 12% per annum (computed on the same basis).

The principal indebtedness evidenced hereby shall be payable in accordance with the amortization schedule set forth in Schedule 1 to the Security Agreement referred to below.

This Note is one of the Secured Notes of the Owner-Trustee not exceeding \$9,765,000 in aggregate principal amount (the "Notes") which are equally and ratably with said other Notes secured by that certain Equipment Trust and Security Agreement,

*Language for Registered Notes.

**Language for Order Notes.

EXHIBIT A
(to Equipment Trust and Security Agreement)

STATE OF DELAWARE)
) SS
COUNTY OF NEW CASTLE)

On this ____ day of December, 1989, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is a _____ of Wilmington Trust Company, that said instrument was signed on behalf of said corporation in its capacity as Owner-Trustee under the Soo Line Trust No. 89-1 by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

(SEAL)

My commission expires _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this ____ day of December, 1989, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is a _____ of The Connecticut Bank and Trust Company, National Association that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

(SEAL)

My commission expires: _____